

VOLUME VI
TRANSCRIPT OF RECORD

Supreme Court of the United States

OCTOBER TERM, 1961

No. 304

**CONTINENTAL ORE COMPANY, ET AL.,
PETITIONERS,**

vs.

**UNION CARBIDE AND CARBON
CORPORATION, ET AL.**

**ON WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS
FOR THE NINTH CIRCUIT**

**PETITION FOR CERTIORARI FILED AUGUST 11, 1961
CERTIORARI GRANTED OCTOBER 23, 1961**

No. 16149

**United States
Court of Appeals
for the Ninth Circuit**

**CONTINENTAL ORE COMPANY, a Partner-
ship, and HENRY J. LEIR, ERNA D. LEIR,
LINA SCHLOSS, as Individuals and as part-
ners under the trade name and style of CON-
TINENTAL ORE COMPANY,**

Appellants,

vs.

**UNION CARBIDE AND CARBON CORPORA-
TION; UNITED STATES VANADIUM
CORPORATION; ELECTRO METALLUR-
GICAL COMPANY; ELECTRA METAL-
LURGICAL SALES CORPORATION; EL-
ECTRO METALLURGICAL COMPANY
OF CANADA, LIMITED; VANADIUM
CORPORATION OF AMERICA,**

Appellees.

Transcript of Record

In Seven Volumes

VOLUME VI.

Book of Exhibits

(Pages 2069 to 2310, inclusive)

**Appeal from the United States District Court
for the Northern District of California,
Southern Division**

INDEX

Exhibits for Plaintiffs:

6—Location of Mills, VCA and USVC	2069
Admitted in Evidence	116
7—Answer to Interrogatory No. 7	2072
Admitted in Evidence	116
8—Answer to Interrogatory No. 17	2073
Admitted in Evidence	117
11—Pricing Formula, September, 1944, Rob-	
ison to Burwell	2075
Admitted in Evidence	120
Excerpts Read	361-364
12—Mining Claims on Vanadium Bearing	
Ore Owned by USVC	2088
Admitted in Evidence	122
22—Bureau of Mines Certificate, USVC,	
5/28/58	2111
Admitted in Evidence	132
23—Bureau of Mines Certificate, VCA, 5/28/	
58	2112
Admitted in Evidence	132
35—Letter, 11/2/41, Warren to Haldane,	
et al	2114
Excerpts Read	219-220
38—Memo and Letter, 3/6/44, Haldane to	
Rafferty	2117
Excerpts Read	244
39—Letter, 3/21/44, Viles to Kett	2121
Excerpts Read	248
44—Contract, 6/30/39, VCA and USVC . . .	2122
Admitted in Evidence	282

ii.

Exhibits for Plaintiffs—(Continued):

45—Letter, 4/7/42, Burwell to VCA	2125
Admitted in Evidence	283
46—Letter and Agreement, 9/26/41, USVC and VCA	2126
Admitted in Evidence	294
Excerpts Read	548
55—Interoffice Memo, Sterling to Kett, 10/ 22/39 and Memo, Kett to Bransome, 10/3/38	2133
Admitted in Evidence	325
56—Memos, Kett to Sterling, 9/12/39 and 6/26/40	2135
Admitted in Evidence	326
58—Letter, 1/22/48, Burwell to Kaiser	2141
Excerpts Read	532-534, 553
62—Special Report, 2/20/42, Laub	672, 1331
Letter, 3/14/42, Laub to Bran- some,	673, 1333, 1941
Spec. Report, 4/14/42, Laub ..	675, 1334, 1945
Letter, 4/22/42, Sterling to Kett ...	676, 2144
64—Agreement, 5/15/40, Anaconda and USVC	2147
Letter 12/1/42, USVC to Anaconda ...	2149
Excerpts Read	591-592
68—Letter, 9/1/38, Haldane from Van Fleet	2151
Excerpts Read	628-629, 1438-1441
69—Letter, 6/26/41, Kett to Bransome	2154
Admitted in Evidence	630
70—Letter, 8/31/41, Kett to Bransome	2156
Admitted in Evidence	630

iii.

Exhibits for Plaintiffs—(Continued):

71—Letter, 6/13/40, Sterling to Kett	2157
Admitted in Evidence	631
72—Letter, 12/27/41, Weston to Haldane ..	2159
Admitted in Evidence	631
73—Letter, 5/10/44, Priestley to Du Dot, Remmers et al	2160
Excerpts Read	632
74—Toll Agreement, 1/26/43, USVC and Nisley & Wilson	2162
Admitted in Evidence	677
79—Sales Data of Continental, 1940-1944 ...	2169
Admitted in Evidence	797
110—Letter-Contract, 1/4/44, Imperial P & C and Henry J. Leir et al	2175
Excerpts Read	1014
115—Letter, 4/9/45, Imperial to Continental .	2179
Letter, 4/13/45, Imperial to Continental	2180
Letter, 5/11/45, Imperial to Continental	2181
Excerpts Read	1024
117—Letter, 9/4/40, Continental to Apex ...	2182
Letter, 9/9/40, Apex to Continental ...	2184
Letter, 5/24/41, Apex to Continental ..	2186
Copy of Agreement, 5/41, Apex and Con- tinental	2187
Agreement, 7/1/38, Apex and Societe D'Electro-Chimie de Brignoud	2190
Excerpts Read	1051
118—Two Documents Showing Source of Con- tinental Supply	2202
Admitted in Evidence	1066

iv.

Exhibits for Plaintiffs—(Continued):

119—Two Documents Showing Continental Sales of Vanadium	2212
Admitted in Evidence	1090
120—Statement of Continental Costs, Sales, Etc.	2213
Admitted in Evidence	1094
122—Correspondence re Termination of Apex Contract, February-March, 1942	2215
Excerpts Read	1188
Admitted in Evidence	1096
127—Letter, 1/13/42, Continental to Apex ...	2222
Admitted in Evidence	1240
129—Letter, 10/27/41, Continental to Apex ..	2223
Letter, 12/19/41, Continental to Apex ..	2223
Letter, 12/22/41, Lipa to Continental .	2224
Admitted in Evidence	1240
130—Exchange of Correspondence, April, 1942, Apex and Continental re Sale of Equipment	2225
Admitted in Evidence	1241
131—Exchange of Correspondence re Blanding Mines, 1940-1942,	2229
Admitted in Evidence	1242
Excerpts Read 1752, 1756-1758, 1759-1760, 1801	
132—Correspondence re Vanadium 1939-1941 —VCA	2252
Admitted in Evidence	1245
144—Apex Correspondence re Defense Plant Corp., 1941	2266
Excerpts Read	1310-1312

v.

Exhibits for Plaintiffs—(Continued):

146—Exchange of Correspondence, Apex and OPM, 1941	2270
Excerpts Read	1317-1318
149—File of Documents, Maggie "C" 1939-1941	2276
Excerpts Read	1573
150—Computation, USVC-VCA Business Maggie "C"	2322
Admitted in Evidence	1583
Excerpts Read	1584
157—Agreement, 6/12/42, VCA and Blanding	2341
Excerpts Read	1792-1793
158—Letter, 3/17/44, Continental to Mi- lenski	1787, 2353
Letter, 3/17/44, Continental to Mi- lenski	2354
160—Excerpt from Minutes of 5/7/42, Board of Directors of VCA	2355
Excerpts Read	1850
162—Letter, 11/3/39, Electro Met to VCA ...	2356
Excerpts Read	1885

Exhibits for Defendant Union Carbide and
Carbon Co.:

B—Agreement, 2/25/42, USVC and Metals Reserve	2358
Excerpts Read	368-369
C—Agreement, 4/9/42, USVC and Metals Reserve	2363
Excerpts Read	371-373

Exhibits for Union Carbide—(Continued):

D—Agreement, 5/9/42, USVC and Metals Reserve	2369
Excerpts Read	374-375
I—Letter, 10/22/42, Hill to Smith	2381
Admitted in Evidence	393
J—Letter, 11/19/42, Bridgman to USVC	2385
Admitted in Evidence	394
K—Letter, 11/25/42, Bridgman to USVC	2387
Excerpts Read	395-396
L—Telegram, 1/7/43, Burwell to Masters	2390
Excerpts Read	398
O—Letter, 10/12/43, Emigh to Hill, w/ enc.	2391
Excerpts Read	404-406
Q—Letter Agreement, May 11, 1943, Union Mines Development Corp. and United States of America	2397
Excerpts Read	418-421, 438-441
R—Report of Operations of USVC of 11/ 30/43 and Letter of 12/20/43	2410
Admitted in Evidence	437
T—Letter, 10/4/44, Burwell to Smith	2417
Excerpts Read	450
U—Agreement, 10/13/44, U. S. Vanadium Corp. and Metals Reserve Co.	2418
Admitted in Evidence	452
Z—Letter, 7/3/44, Metals Reserve to Union Mines	2430
Excerpts Read	466

Exhibits for Union Carbide—(Continued):

2-A—Letter, 5/20/47, Metals Reserve to Union Mines	2433
Excerpts Read	467-468
2-I—Contract, 12/10/46, Electro Metal Sales and Continental Ore	2434
Admitted in Evidence	619
2-R—Letter, 7/9/43, Nisley to Paige Ed- wards with Enclosures	2437
Excerpts Read	712-713
2-U—Letter, 12/13/43, Nisley to Leir	2440
Excerpts Read	729-730
3-C—Letter, 10/8/44, Nisley to Leir	2444
Excerpts Read	742
3-Q—Letter, 7/14/42, Wolf to North Conti- nent Mines	2446
Excerpts Read	912-913
4-A—Letter, 8/3/42, Wolf to Nisley & Wil- son	2449
Excerpts Read	934
4-H—Letter, 5/4/43 Continental to Electro Met	2451
Admitted in Evidence	948
4-R—Letter, 8/4/44, Metals Reserve to Con- tinental	2452
Letter, 9/20/44, Metals Reserve to Con- tinental	2453
Contract, 9/26/44, Metals Reserve and Continental	2454
Excerpts Read	964

viii.

Exhibits for Union Carbide—(Continued):

4-T—Letter, 11/1/44, Wolf to Imperial P & C	2457
Excerpts Read	969
4-X—Contract, 1/29/46, Continental and Electro Met	2459
Excerpts Read	977
4-Z—Letter, 1/29/46, Electro Met Sales to Continental and Enclosed Contract ...	2461
Excerpts Read	982
5-D—General Price Control, OPA, 11/2/43	2462
Excerpts Read	987
5-E—Invoice, 5/24/46, Continental to Sulzer Bros.	2467
Admitted in Evidence	991
5-F—Letter, 3/21/46, Continental to Electro Met Sales	2468
Excerpts Read	993
5-H—Contract, 9/10/48, Electro Met-Continental	2469
Admitted in Evidence	997
5-J—Letter, 10/15/43, Nisley to Continental	2471
Letter, 10/28/43, Leir to Nisley	2472
Excerpts Read	1209
5-K—Exchange of Correspondence 1939, Continental-Vitro	2474
Excerpts Read	1219
5-T—Manhattan Engineers District—USEO—Warehouse, Grand Junction, Colorado “Summary of Material Balance Statements, Vanadium Oxide (V_2O_5) in Pounds, Dec. 1, 1943 thru Feb. 1956”	2485
Admitted in Evidence	1985

Exhibits for Vanadium Corp.

1-A—Letter, 11/5/41, Leir to Apex	2487
Excerpts Read	1003, 1159
1-D—Agreement, 7/14/38, Apex-Societe, etc.	2489
Admitted in Evidence	1115
1-E—Letter, 7/27/40, Leir to Milenski	2490
Admitted in Evidence	1117
1-F—Letter, 8/10/40, Leir to Milenski	2492
Excerpts Read	1118
1-G—Letter, 8/16/40, Milenski to Continen- tal	2495
Excerpts Read	1121
1-H—Letter, 8/19/40, Continental to Bland- ing	2496
Excerpts Read	1122
1-J—Letter, 8/20/40, Leir to Apex	2498
Excerpts Read	1127
1-K—Letter, 12/16/40, Continental to Apex	2501
Excerpts Read	1133
1-L—Letter, 11/6/40, Continental to Apex .	2505
Excerpts Read	1136
1-N—Letter, 10/17/40, Leir to Apex	2506
Excerpts Read	1139
1-Q—Exchange Correspondence, 1941, Na- tional Vanadium, Apex and Continental	2507
Excerpts Read	1146-1150
1-R—Letter, 9/26/41, Continental to Natl. Vanadium	2514
Excerpts Read	1151

x.

Exhibits for Vanadium Corp.—(Continued):

1-T—Leir Office Memo 11/27/41 and Letter 11/27/41, Leir to Apex	2515
Excerpts Read	1163
1-U—Letter, 12/3/41, Continental to Apex .	2518
Excerpts Read	1164
1-Y—Memo, 1/27/42, Continental to Apex ..	2519
Excerpts Read	1173
2-B—Letter, Apex to Leir, 6/2/42,	1188, 1293
Balance Sheet	2520
Admitted in Evidence	1192
2-C—Letter, 1/28/43, Leir to Lipa	2524
Letter, 2/1/43, Lipa to Leir	2523
Excerpts Read	1194
2-G—Letter, 1/13/42, Apex to Continental .	2529
Letter, 1/19/42, Lipa to Leir	2528
Excerpts Read	1291
2-H—Letter, 4/23/42, Apex to Vanadium Corp.	2530
Excerpts Read	1359
2-J—Letter, 3/16/42, Leir to Blanding ...	2532
Excerpts Read	1711
2-K—Exchange of Correspondence, 1944, re Reopening Blanding Mill	2533
Excerpts Read	1715-1723, 1799
2-L—Wire 3/24, Continental from Milenski .	2554
Excerpts Read	1724, 1777
2-M—Price Regulations	2555
Admitted in Evidence	1728

PLAINTIFFS' EXHIBIT No. 6

VANADIUM PLANTS

Item 4—Information pertaining to vanadium mills, owned, leased and operated.

Under date of Sept. 16, 1919 the Corporation purchased the physical assets of the American Vanadium Company for a price of \$3,000,000. Included in such assets was a Reduction Plant for treatment of vanadium ores at Bridgeville, Allegheny Co., Penna. This plant has been in operation since date of acquisition to present date.

The Corporation under date of Jan. 1, 1920 purchased certain assets of the Primos Chemical Co. for an amount approximating \$2,000,000. Included in this purchase was a Reduction Plant at Primos, Penna. and a vanadium mill at Vanadium, Colorado. Operations at both the above mills ceased in the latter part of 1920 due to economic conditions in business at that time. These operations were never resumed and the properties at Primos, Penna. were sold. The Vanadium, Colorado mill has been dismantled and most of equipment moved and installed at other operations of the Corporation in Western, U.S.A.

Through purchase at a foreclosure sale, the Corporation acquired the assets of Rare Metals Corporation for an amount of \$428,000. which was the amount of a judgment Vanadium Corporation of America held against Rare Metals Corporation. The sale was confirmed as of Jan. 25, 1932. Included in the assets acquired was a vanadium mill at Natu-

Plaintiffs' Exhibit No. 6—(Continued)

rita, Colorado. Due to economic conditions in the vanadium industry, this mill was idle until late in 1939 when rehabilitation work was started. Regular operations have been carried on since about the middle of 1940 to date.

The Monticello, Utah plant, which is Government owned, was operated by Vanadium Corporation of America from Sept. 1, 1942 until Feb. 29, 1944, under an Agency Agreement with the Metals Reserve Corporation, a United States Government Agency.

This plant was further operated by Vanadium Corporation of America from Feb. 15, 1945 to April 30, 1946, under lease with Defense Plant Corporation, a United States Government Agency.

/s/ P. J. GIBBONS,

6/14/50.

Interrogatory No. 7

United States Vanadium Corporation was the owner of a mill for the processing of vanadium-bearing ores at Rifle, Colorado, from 1927 to 1932. In 1932 the mill was shut down and sometime later was dismantled.

United States Vanadium Corporation is the owner of a mill for the processing of vanadium-bearing ores erected in 1936 at Uravan, Colorado.

United States Vanadium Corporation is the owner of a mill for the processing of vanadium-bearing ores erected in 1942 at Rifle, Colorado.

Plaintiffs' Exhibit No. 6—(Continued)

United States Vanadium Corporation was the owner of a mill for the processing of vanadium-bearing ores at Durango, Colorado, from July 31, 1944 to June 2, 1948.

United States Vanadium Corporation was the owner of a plant for the manufacture of ferrovanadium at Columbiana, Ohio, from 1927 to July 31, 1942, when the plant was transferred to Electro Metallurgical Company. On November 30, 1948, Electro Metallurgical Company was liquidated and Union Carbide and Carbon Corporation became the owner of the plant, which is now operated by its Electro Metallurgical Division.

Electro Metallurgical Company was the owner of a plant at Niagara Falls, N. Y., from 1908 to November 30, 1948, in which Ferrovanadium was produced after 1935. On November 30, 1948, Electro Metallurgical Company was liquidated and Union Carbide and Carbon Corporation became the owner of the plant, which is now operated by its Electro Metallurgical Division.

Electro Metallurgical Company was the owner of a plant erected in 1934 at Alloy, West Virginia, in which ferrovanadium was produced after 1940. On November 30, 1948, Electro Metallurgical Company was liquidated and Union Carbide and Carbon Corporation became the owner of the plant, which is now operated by its Electro Metallurgical Division.

PLAINTIFFS' EXHIBIT No. 7

Interrogatory No. 7

State the location of any mills and refineries for the processing of vanadium-bearing materials or for the manufacture of ferrovanadium owned, operated or leased by you or your subsidiaries and the length of time each has been under ownership or lease.

Answer

The following is a list of the mills and refineries for the processing of vanadium-bearing materials and for the manufacture of ferrovanadium⁸ owned, operated or leased by Vanadium Corporation of America between January 1, 1933 and August 8, 1949, and, with respect to each, the length of time under ownership or lease:

Mina Ragra, Peru, Leaching Mill, owned since September 16, 1919.

Naturita, Colorado, Leaching Mill, owned since January 25, 1932.

Durango, Colorado, Leaching Mill, leased since October 7, 1948.

Monticello, Utah, Leaching Mill, operated for the Government by Vanadium Corporation of America between September 1, 1942 and February 29, 1944, and leased by Vanadium Corporation of America between February 15, 1945 and April 30, 1946.

Bridgeville, Pennsylvania, Refinery, owned since September 16, 1919.

PLAINTIFFS' EXHIBIT No. 8

Interrogatory No. 17

"State the volume by years of vanadium oxide purchased or sold by Union Carbide or any of its subsidiaries from or to the Vanadium Corporation of America and any of its subsidiaries, and the prices paid therefor."

Answer

The following is a tabulation of the volume by years of vanadium-oxide purchased by Vanadium Corporation of America from Electro Metallurgical Sales Corporation, a subsidiary of Union Carbide, and the prices paid therefor:

1933	216,412	lbs. at \$0.80 lb. V_2O_5 contained
1934	786,686	lbs. at \$0.80 lb. V_2O_5 contained
1935	495,423	lbs. at \$0.80 lb. V_2O_5 contained
1936	360,401.2	lbs. at \$0.80 lb. V_2O_5 contained
1937	540,784.72	lbs. at \$0.80 lb. V_2O_5 contained
1938	130,052.27	lbs. at \$0.80 lb. V_2O_5 contained
	17,500.18	lbs. at \$1.10 lb. V_2O_5 contained
1939	46,000	lbs. at \$0.80 lb. V_2O_5 contained
	14,000	lbs. at \$1.18 lb. V_2O_5 contained
1940	None	
1941	None	
1942	None	
1943	None	
1944	None	
1945	None	
1946	None	
1947	None	

Plaintiffs' Exhibit No. 8—(Continued)

1948 None

1949 None

Vanadium Corporation of America did not sell any vanadium-oxide to Union Carbide or any of its subsidiaries during this period.

Under an agreement between Vanadium Corporation of America and United States Vanadium Corporation dated June 30, 1939,* United States Vanadium Corporation milled vanadium ore belonging to Vanadium Corporation of America and delivered to Vanadium Corporation of America 75% of the vanadium-oxide content of such ore. United States Vanadium Corporation made a processing charge to Vanadium Corporation of America for this service of \$0.65 per lb., vanadium-oxide contained, on all amounts delivered in 1939 and \$0.75 per lb., vanadium-oxide contained, for all amounts delivered during 1940. 517,847 lbs. were delivered under this contract in 1939 and 200,000 lbs. in 1940.

[Note: Underscored in Pen. Marginal Note:
"Maggie - C".]

PLAINTIFFS' EXHIBIT No. 11

Inter-Company Correspondence

[Handwritten Note: Ore purchases, general.]

Date: September 25, 1944

Answering Letter Date: September 14, 1944

Company: United States Vanadium Corp. Location: Grand Junction, Colorado.

To: Mr. Blair Burwell, Vice-President, United States Vanadium Corporation.

Location: Room 1425, 30 East 42nd Street, New York 17, New York.

Attention, Copy to: Mr. W. G. Haldane.

Subject: Past Procedure—Ore Prices, Etc.

Dear Blair:

In reviewing the ore purchase records at Uravan VP Plant and checking with Joe Weston, we submit the following information concerning ore purchases at Uravan:

1. The earliest ore settlement found on record was for October, 1938. From October, 1938 to September, 1939, the purchase of ore was in most cases by special arrangement for individual purchases. Ore purchased on V_2O_5 contained was 17c per lb. for 2% V_2O_5 ore, increasing 1c per lb. for each percent increase above 2%. At the same time there was a rate for mined ore paid at \$14 per ton for ore which assayed from 3% V_2O_5 to 5% V_2O_5 . Ore which was produced from the Company mines was

Plaintiffs' Exhibit No. 11—(Continued)

paid for at the varying scale of 9c per lb. V_2O_5 to 15c per lb. V_2O_5 contained. During this time the ore which was being offered for sale was not considered greatly important due to the fact that the stockpiles were being increased by Company mining operations.

2. By September, 1939, more ore was offered for sale and it seemed necessary to establish a regular market price. Attachment No. I lists the prices which were paid at this time.

3. On January 1, 1941, we increased the amount paid to the sellers by paying 5c per ton mile in addition to the price schedule shown on Attachment I. In order to encourage production from mines located at such a distance from the plant transportation allowances were necessary for the continuance of these operations.

4. In June, 1942, an additional allowance of \$1.50 per ton on ore delivered was added to the schedule Attachment No. I in order to meet competition with plants more favorably located to receive ore from south and southwest areas.

5. In 1941, to meet individual conditions, some special contracts were made for purchase of ore by the ton. One instance was that Harold Stone was paid \$7 per ton F.O.B. Uravan for 1,000 tons of ore acceptable only at a minimum average grade of 1.75% V_2O_5 . Another instance is the case of the Mesa Vanadium contract with George McKee which

Plaintiffs' Exhibit No. 11—(Continued)

was taken over by us at the following prices F.O.B. Uravan for 3,000 tons:

From 2% to 3% V_2O_5 , \$8.95 per dry ton.

From 3% to 4% V_2O_5 , 16.31 per dry ton.

From 4% to 5% V_2O_5 , 22.69 per dry ton.

From 5% to 6% V_2O_5 , 34.06 per dry ton.

For Ore Over-6% V_2O_5 , .25 per pound V_2O_5 .

6. On June 1, 1942, the price schedule was changed as per Attachment No. II which increased the price 10c per lb. for 2% V_2O_5 ore. The raise in price at this time was made to the various number of producers who were delivering ~~ore to~~ Uravan because they were so unfavorably located for delivering ore to Metals Reserve Company ore buying stations.

7. On May 1, 1944, the schedule shown on Attachment No. III was put into effect. This change was the deleting of the transportation allowance of 5c per ton mile and \$1.50 per ton and a discontinuance of acceptance of ore which analyzed less than 2% V_2O_5 . This price schedule was affected due to the fact that Metals Reserve Company had discontinued purchase of ore and a schedule for present and future prices was necessary to be maintained.

Yours very truly,

/s/ J. L. ROBISON.

J. L. Robison/my
Attachments—3

Plaintiffs' Exhibit No. 11—(Continued)

Attachment No. I

PURCHASED ORE PRICES

Effective September, 1939

Grade	% Grade	Amount
Under	1.50	.150
1.50	1.75	.175
1.75	2.00	.200
2.00	2.25	.210
2.25	2.75	.215
2.75	3.25	.220
3.25	3.75	.225
3.75	4.25	.230
4.25	4.75	.235
4.75	5.25	.240
5.25	5.75	.245
5.75	6.25	.250
6.25	6.75	.255
6.75	7.25	.260
7.25	7.75	.265
7.75	8.25	.270
8.25	8.75	.275
8.75	9.25	.280
9.25	9.75	.285
9.75	10.25	.290
10.25	10.75	.295
10.75	11.25	.300
11.25	11.75	.305
11.75	12.25	.310
12.25	12.75	.315

Plaintiffs' Exhibit No. 11—(Continued)

Grade Under	% Grade	Amount
12.75	13.25	.320
13.25	13.75	.325
13.75	14.25	.330
14.25	14.75	.335
14.75	15.25	.340

Attachment No. II

PURCHASED ORE PRICES

Effective June 1, 1942

Grade Under	% Grade	Amount
1.50	1.50	\$.25
1.50	1.75	.26
1.75	2.00	.28
2.00	2.25	.31
2.25	2.75	.32
2.75	3.25	.33
3.25	3.75	.34
3.75	4.25	.35
4.25	4.75	.36
4.75	5.25	.37
5.25	5.75	.38
5.75	6.25	.39
6.25	6.75	.40
6.75	7.25	.40

Transportation allowance 5c per ton mile for maximum of 60 miles on ore over 2% V_2O_5 .

Plaintiffs' Exhibit No. 11—(Continued)

Attachment No. III

PURCHASED ORE PRICES

Effective May 1, 1944

% Grade	% Grade	Amount
V ₂ O ₅	V ₂ O ₅	
2.00	2.25	\$.31
2.25	2.75	.32
2.75	3.25	.33
3.25	3.75	.34
3.75	4.25	.35
4.25	4.75	.36
4.75	5.25	.37
5.25	5.75	.38
5.75	6.25	.39
6.25	6.75	.40

F.O.B. Uravan—Carload Lots Thompson, Utah.

Buyer will accept no ore less than 2.0%.

Average over payment period.

May 20, 1944

Mr. Simeon Nash, Secy.


Utah Alloy Ores, Inc.

209 South High Street

Columbus, Ohio

Dear Mr. Nash:

Mr. Blair Burwell has instructed me to answer your inquiry of May 17, 1944, concerning the sale of vanadium ore from your Yellow Cat property near Thompsons, Utah. Enclosed please find a



Plaintiffs' Exhibit No. 11—(Continued)

schedule of purchased ore prices effective May 1, 1944. You will note that no ores will be accepted that average less than 2% V_2O_5 . The basic price for 2% ore is 31c, and the rate increases 1c for each $\frac{1}{2}\%$ gain in V_2O_5 . For ores containing 6.25% V_2O_5 or more, the price is 40c per pound of V_2O_5 , being the maximum price paid for ores.

The ore will be accepted in carload lots, loaded by the seller at Thompsons, Utah, and sampled by the buyer at Rifle, Colorado, railroad transportation to be paid by the buyer at Rifle, Colorado, the minimum carload being 100,000 pounds, the seller to be penalized in a proportionate amount of railroad charges if the car is loaded light. The car will be ordered by the seller and billed out to the buyer by the seller to the buyer's plant at Rifle, Colorado.

A carload of ore will be considered as one lot, thus eliminating the possibility that you requested of loading several grades of ore into one car to be sampled in various lots. Mr. Burwell recommends that the ores containing 4% V_2O_5 or more be shipped to Rifle by truck, the buyer allowing the seller \$5.00 per ton on this type of ore. No payment of transportation will be made on ores containing less than 4% V_2O_5 . Railroad weights will be used as a basis of settlement on carload lots.

The standard sampling procedure established throughout this area will govern. I am sure that you are familiar with this procedure, the principal points being that the seller has a right to be repre-

Plaintiffs' Exhibit No. 11—(Continued)

sented at the sampling and has a right to request an umpire analysis of the sample.

Payments can be arranged on a semi-monthly basis, that is on the first and fifteenth day of the month. Payments will be made for ores received five days prior to that time.

The United States Vanadium Corporation reserves the right to terminate any and all ore purchase agreements between these parties by giving the other party thirty days notice in writing.

Very truly yours,

UNITED STATES VANADIUM
CORPORATION,

/s/ JOHN W. HILL, f.r.,
John W. Hill.

JWH:fr

Encl. 1

cc: Messrs. J. R. Van Fleet, Blair Burwell, G. Donald Emigh, J. L. Robison, C. C. Sterns, R. D. Nye, J. E. Weston.

PURCHASED ORE PRICES

Effective March 1st, 1944

% Grade	% Grade	Amount
V ₂ O ₅	V ₂ O ₅	
2.00	2.25	\$.31
2.25	2.75	.32
2.75	3.25	.33
3.25	3.75	.34

Plaintiffs' Exhibit No. 11—¹(Continued)

% Grade V ₂ O ₅	% Grade V ₂ O ₅	Amount
3.75	4.25	.35
4.25	4.75	.36
4.75	5.25	.37
5.25	5.75	.38
5.75	6.25	.39
6.25	6.75	.40

f.o.b. Thompsons.

Buyer will accept no ore less than 2.00%.

Average over payment period.

United States Vanadium Corp., New York City

September 14, 1944

Mr. J. L. Robison

United States Vanadium Corporation

Grand Junction, Colorado

Mr. W. G. Haldane

Mr. J. E. Weston

Past Procedure—Ore Prices, etc.

Dear Jack:

We have recently been asked for a review of ore prices and ore buying arrangements since 1926 in Colorado.

I wish you and Joe Weston would go over this and give me a summary of our past procedure in this connection. Joe can probably supply a great deal of information from his memory as to Uravan ore purchases beginning in 1936.

It would be of value to make a running story of

Plaintiffs' Exhibit No. 11—(Continued)

what range of prices existed and when changes occurred and the reasons for these changes of price.

Yours very truly,

/s/ BLAIR BURWELL.

vl/Blair Burwell

ICC

Ore Purchase Schedule in Effect
at Naturita, March, 1940

% V ₂ O ₅	Price per lb.	
	V ₂ O ₅ Contained	
2.00-2.49	21.0c	
2.50-2.99	21.5	
3.00-3.49	22.0	
3.50-3.99	22.5	
4.00-4.49	23.0	
4.50-5.00	23.5	
5.00-5.49	24.0	
5.50-6.00	24.5	
6.00 and over	25.0	

On or About July 1st, 1940, V.C.A. Started
to Pay on the Following Schedule

This Schedule Remained in Effect Until the 31c
Schedule Was Established on May 29, 1942

% V ₂ O ₅	Price per lb.	
	V ₂ O ₅ Contained	
2.00-2.09	21.0c	
2.10-2.19	21.1	
2.20-2.29	21.2	
2.30-2.39	21.3	

Plaintiffs' Exhibit No. 11—(Continued)

$\% \text{V}_2\text{O}_5$	Price per lb. V_2O_5 Contained
2.40-2.49	21.4
2.50-2.59	21.5
2.60-2.69	21.6
2.70-2.79	21.7
2.80-2.89	21.8
2.90-2.99	21.9
3.00-3.09	22.0
3.10-3.19	22.1
3.20-3.29	22.2
3.30-3.39	22.3
3.40-3.49	22.4
3.50-3.59	22.5
3.60-3.69	22.6
3.70-3.79	22.7
3.80-3.89	22.8
3.90-3.99	22.9
4.00-4.09	23.0
4.10-4.19	23.1
4.20-4.29	23.2
4.30-4.39	23.3
4.40-4.49	23.4
4.50-4.59	23.5
4.60-4.69	23.6
4.70-4.79	23.7
4.80-4.89	23.8
4.90-4.99	23.9
5.00-5.09	24.0
5.10-5.19	24.1
5.20-5.29	24.2

Plaintiffs' Exhibit No. 11—(Continued)

% V_2O_5	Price per lb.	
	V_2O_5 Contained	
5.30-5.39	24.3	
5.40-5.49	24.4	
5.50-5.59	24.5	
5.60-5.69	24.6	
5.70-5.79	24.7	
5.80-5.89	24.8	
5.90-5.99	24.9	
6.00 and over	25.0	

Ore Purchase Schedule in Effect at Naturita
and Monticello From May 29th, 1942

% V_2O_5	Price per lb.	
	V_2O_5 Contained	
2.00-2.09	.31	
2.10-2.19	.312	
2.20-2.29	.314	
2.30-2.39	.316	
2.40-2.49	.318	
2.50-2.59	.32	
2.60-2.69	.322	
2.70-2.79	.324	
2.80-2.89	.326	
2.90-2.99	.328	
3.00-3.09	.33	
3.10-3.19	.332	
3.20-3.29	.334	
3.30-3.39	.336	
3.40-3.49	.338	
3.50-3.59	.34	

Plaintiffs' Exhibit No. 11—(Continued)

% V ₂ O ₅	Price per lb. V ₂ O ₅ Contained
3.60-3.69	.342
3.70-3.79	.344
3.80-3.89	.346
3.90-3.99	.348
4.00-4.09	.35
4.10-4.19	.352
4.20-4.29	.354
4.30-4.39	.356
4.40-4.49	.358
4.50-4.59	.36
4.60-4.69	.362
4.70-4.79	.364
4.80-4.89	.366
4.90-4.99	.368
5.00-5.09	.37
5.10-5.19	.372
5.20-5.29	.374
5.30-5.39	.376
5.40-5.49	.378
5.50-5.59	.38
5.60-5.69	.382
5.70-5.79	.384
5.80-5.89	.386
5.90-5.99	.388
6.00-6.09	.39
6.10-6.19	.392
6.20-6.29	.394
6.30-6.39	.396
6.40-6.49	.398
6.50 and over	.40

PLAINTIFFS' EXHIBIT No. 22

6-111-Revised
(August 1956)

United States of America
United States
Department of the Interior
Bureau of Mines

Washington 25, D. C., May 28, 1958

Pursuant to the act approved August 24, 1912, as amended (U. S. C., title 5, sec. 488), I hereby certify that the annexed data have been taken from records of the Bureau of Mines or reports submitted to the Bureau of Mines on "ore of own production" and "ore purchases" (both in terms of V_2O_5 content in pounds) of the United States Vanadium Corporation for the years 1933-1947 inclusive.

In Testimony Whereof, I have hereunto subscribed my name and caused the seal of the Bureau of Mines, Department of the Interior, to be affixed, the day and year first above written.

[Seal] L. A. HILL,
Acting Chief, Division of
Administration.

[Letterhead of United States Department of the
Interior, Bureau of Mines.]

United States Vanadium Corporation
(Union Carbide Nuclear Company)
Ore of own production and ore purchases in terms of V_2O_5 content (pounds) for the years 1933-1947 inclusive.

2112 *Continental Ore Company, et al., vs.*

Plaintiffs' Exhibit No. 22—(Continued)

Year	Ore of own production	Ore purchases
1933	_____	_____
1934	_____	_____
1935	_____	_____
1936	_____	_____
1937	2,400,000	_____
1938	2,306,976	_____
1939	2,703,821	_____
1940	(est. using 1.27% V ₂ O ₅ content) 3,103,667	(est. using 2.87% V ₂ O ₅ content) 1,186,115.32
1941	(est. using 1.22% V ₂ O ₅ content) 1,829,316.80	(est. using 1.44% V ₂ O ₅ content) 602,035.20
1942	3,607,737.59	405,475.04
1943	3,858,712.86	83,867.56
1944	2,224,805.76	259,568.45
1945	2,379,439.39	415,232.07
1946	1,644,291.00	36,957.00
1947	2,597,483.00	_____

PLAINTIFFS' EXHIBIT No. 23

6-111-Revised
(August 1956)

United States of America

United States

Department of the Interior

Bureau of Mines

Washington 25, D. C., May 28, 1958

Pursuant to the act approved August 24, 1912, as amended (U. S. C., title 5, sec. 488), I hereby certify that the annexed data have been taken from records of the Bureau of Mines or reports submitted to the Bureau of Mines on "ore of own production" and "ore purchases" (both in terms of V₂O₅

Plaintiffs' Exhibit No. 23—(Continued)

content in pounds) of the Vanadium Corporation of America for the years 1933-1947 inclusive.

In Testimony Whereof, I have hereunto subscribed my name and caused the seal of the Bureau of Mines, Department of the Interior, to be affixed, the day and year first above written.

[Seal] L. A. HILL,
Acting Chief, Division of
Administration.

[Letterhead of United States Department of the Interior, Bureau of Mines.]

Vanadium Corporation of America

Ore of own production and ore purchases in terms of V_2O_5 content (pounds) for the years 1933-1947 inclusive.

Year	Ore of own production	Ore purchases
1933	_____	_____
1934	_____	_____
1935	_____	_____
1936	_____	_____
1937	_____	_____
1938	_____	_____
1939	_____	_____
1940	(est. using 1.81% V_2O_5 content) 302,487	(est. using 2.26% V_2O_5 content) 197,976
1941	(est. using 2.01% V_2O_5 content) 953,343	(est. using 2.35% V_2O_5 content) 423,517
1942	1,640,415	769,834
1943	2,128,165.59	327,577
1944	718,900.32	375,680
1945	360,971.30	1,530,662.82
1946	124,691	149,665
1947	688,602	284,039

2114 *Continental Ore Company, et al., vs.*

PLAINTIFFS' EXHIBIT No. 35

Inter-Company Correspondence
[Handwritten Note: Reports-Progress.]

Company: United States Vanadium Corp. Location: Uravan, Colorado.

To: United States Vanadium Corp.

Location: New York City, New York.

Date: November 2, 1941.

Attention: Mr. W. G. Haldane.

Copy to: Mr. Blair Burwell.

Dear King,

I am sending this letter to you in New York with a copy to you at the Brown Palace in Denver, as you may leave New York before it can reach you, and I do want you to be acquainted with what we are doing, as soon as possible. Blair just left here, and left us with his usual amount of good suggestions, most of which have been under consideration by you men for some time.

* * * * *

We have been fortunate in finding a jaw crusher at Morse Brothers, which has an opening 8" x 24", and which can be closed down to deliver $\frac{3}{4}$ " material. This will give us a very good sample.

In connection with this sampling plant, and with the necessity for good samples, I feel I have run on to an interesting condition which may or may not exist, but which I will call to your attention, and await your suggestions. As you well know, the Vanadium Corporation of America have been having

Plaintiffs' Exhibit No. 35—(Continued)

a hard time getting ore. When they first came into the district, or rather when I first arrived here, there was plenty of evidence that they were increasing the price paid for outside ore. Blair's trip in here and his discussion with Blitz remedied that matter. I feel it is now breaking out in another, but more subtle manner. If you would ride past and estimate the Vanadium Corporation of America stockpile, and then look at our own, it would be easy to see who is getting the purchased ore. Their scheme, as I see it, is this. We have reliable shippers, wanting to continue doing business with us, who are hearing stories of better treatment given them by Vanadium Corporation of America. They have shipped alternate loads from the same ore pile to us and to Vanadium Corporation of America. Joe Weston has seen several settlement sheets in the hands of our former shippers, which seem to indicate either, that our sampling is wrong, or that Vanadium Corporation of America sampling is wrong, or that some motive is behind the fact that their assays are from $\frac{1}{2}$ to $\frac{3}{4}$ % over what our samples show.

It seems rather ridiculous to make this statement until you analyze it. Vanadium Corporation of America needs ore, or they cannot stay in business, as the production from their Company owned mines is not sufficient. Any propaganda instituted by them that could influence a shipper to sell to them, and at the same time insinuate that our treatment

Plaintiffs' Exhibit No. 35—(Continued)

of these shippers was unfair, such as increasing assays, would certainly be to their advantage. If we then consider what it costs them to do that, we find that the price is not too high. For example, if we have a lot of ore that assays 2.01% V_2O_5 , we would pay the shipper \$8.44 a ton. If instead of using the correct assay, we announce that the value was 2.5% V_2O_5 , thus raising the actual assay $\frac{1}{2}\%$, we would pay the shipper \$10.75 a ton. In other words we would be paying \$2.39 more than our schedule calls for, which is equal to a difference of 6c a pound of contained V_2O_5 . This is a small amount when considered further from the standpoint of the fact that we can say that 40 pounds of V_2O_5 times 70% mill recovery, will return us \$28.00. In other words this margin of profit, with a well run operation, is great enough to offset this extra cost of 6c a pound, and is justified when it is considered that such a practice will disparage a competitor and secure the larger portion of the independent production. This thought may not be in line, and I perhaps ought to be censured for being suspicious. However, once we get our sampling plant in working order, we, ourselves, can be very sure of our assays and if the Vanadium Corporation of America practice continues, we can feel that the suggestion made herein is a possibility.

Staff House, Club Ranch, Office Extension

These items were taken up with Blair, and were given his approval, naturally with certain reserva-

Plaintiffs' Exhibit No. 35—(Continued)

tions. They will be started as soon as possible, but not prior to such necessities as the dryer, the new coal mine, and other changes which have to do with the main operation.

* * * * *

Yours sincerely,

S. POWER WARREN.

PLAINTIFFS' EXHIBIT No. 38

United States Vanadium Corp.
New York City

March 6th, 1944

Mr. J. A. Rafferty
Room 1626
Building

Mr. Blair Burwell, Durango Plant

Dear Mr. Rafferty:

I am attaching hereto a memorandum summarizing the situation at Durango.

The "Right to Purchase" clause, copy of which I am also enclosing, is a little involved since it covers only the "buildings, machinery and equipment"; however, it is our feeling that AS&R will be willing to sell the site (exclusive of a small portion on which a slag pile is located) for \$4,000.00-\$5,000.00. Aside from this pile, which has some gold, silver and lead values in the form of shots of base bullion

Plaintiffs' Exhibit No. 38—(Continued)

and copper matte, the AS&R has withdrawn completely from the Durango field and would be interested in disposing of its last holding, namely, the plant site, exclusive of this slag pile.

It is my understanding, too, that at about the turn of the year, the Army indicated to Metals Reserve Company that it (Army) was not interested in taking Durango over.

If I can be of further service, please do not hesitate to let me know.

Yours very truly,

hi/W. G. Haldane

IC

Att.

Memorandum
Durango Plant

In the Vanadium Agency Agreement with Metals Reserve Company, among other provisions, United States Vanadium Corporation agreed to build and operate for Metals Reserve Account, a vanadium plant at Durango, Colorado, to have a capacity of approximately 100 tons of sandstone ore per day and at a construction cost not to exceed \$100,000.00 (total cost actually was \$101,000.00). The plant is located on the site of the old lead smelter of the American Smelting and Refining Company under a 5 year lease to Metals Reserve Company at an annual rental of \$100.00 per year.

Plaintiffs' Exhibit No. 38—(Continued)

The contract further provides that upon its termination, United States Vanadium Corporation shall be granted for a period of 90 days the right and option to purchase the buildings, equipment and machinery constituting the plant at actual cost to Metals Reserve Company less depreciation, obsolescence, etc. at the rate of $12\frac{1}{2}\%$ per annum. At the present time, the plant is subject to the maximum depreciation allowable, namely, 25%. Cost, therefore, is approximately \$75,000.00+.

At the date of closing down the plant, February 29th, there exists at the plant, and entirely distinct therefrom, a stockpile of crude ore of approximately 14,000 tons of a V_2O_5 tenor averaging better than 1.85% or roughly 500,000 lbs. of contained V_2O_5 .

United States Vanadium Corporation considers it highly essential that it acquire this plant for the following reasons:

1. To maintain its position in the vanadium industry of the southwest. Repeated reports have reached this Company of plans of outsiders to acquire the plant in the event United States Vanadium Corporation decides not to exercise its option. The injection of additional operators in this field would undoubtedly seriously disturb conditions in the vanadium industry in the post-war period.

2. Acquisition of the plant facilities would place the Company in a strategic position with regard to either the purchase of the stockpiled ore, or a deal

Plaintiffs' Exhibit No. 38—(Continued)

with Metals Reserve Company to process it for them. Similar stockpiles have recently been offered for sale by Metals Reserve Company at 35c per lb. V_2O_5 contained. In either event, processing of the stockpile would more than pay for the plant.

3. You are aware of the discussions now going on between United States Vanadium Corporation and Army officials covering the application of an alkaline leach to crude carnotite ores. Tests to date indicate a 90% extraction of the U content and approximately 20% of the V. Arrangements are now being studied for the installation of a 50-ton unit embodying such a flow sheet. The Durango site has much to commend it over Uravan in that it is free from many of the accessory and auxiliary departments peculiar to Uravan. Power, fuel, water are readily available, as well as housing, commissary and hospital and other facilities. The labor market at Durango is very definitely better. Durango would, furthermore, be the logical place to treat the Uranium ores of the Navajo Indian reservation, as well as those from the McIntyre Canon sector.

In conclusion, it has been our definite feeling that we should arrange to take over this plant within the option period.

hi/W. G. Haldane

3/6/44

Union Carbide & Carbon Corp., et al. **2121**

PLAINTIFFS' EXHIBIT No. 39

**Vanadium Corporation of America
Inter-Office Communication**

Date: March 21, 1944.

**To: F. F. Kett, Gen. Mgr., Mining Division, 420
Lexington Avenue, New York.**

**From: D. W. Viles, Ass't. Manager, Western Di-
vision, Naturita, Colorado.**

Subject: Purchase of Dry Valley.

In regard to the purchase of the Dry Valley prop-
erty belonging to the Moly Corporation, there is
considerable low grade ore in the Frisco and Water
Falls Group and this property, in my mind, if it
could be purchased, say for \$2000.00, would be a
good investment if only to prevent some outsider
getting ideas in regard to the Monticello Plant.

So far as the assessment work is concerned,
there is no doubt we will drop some of the claims in
this group and as the ones held would probably be
continuous, our assessment work will be taken care
of with what mining was done on any one claim.
We could start doing a little leasing on some of
this property as soon as the deal was completed.

I am enclosing monthly composite for six months
on the U308 for the complete Reservation ores.
These assays were run by Metals Reserve in Grand
Junction.

D. W. VILES.

DWV/er

1 Encl.

PLAINTIFFS' EXHIBIT No. 44

(Copy)

Memorandum

U.S.V.C. agrees to mine the ore from the Maggie C Claim situated in Lower Park, near Uravan, Colorado, owned by V.C. and such other claims now owned by V.C. in the vicinity of Uravan, Colorado, as the parties from time to time agree upon, to mill such ore and produce therefrom fused V_2O_5 analyzing 85% V_2O_5 minimum (hereinafter called oxide) and to deliver thirty thousand (30,000) pounds per month of oxide so produced to V.C., f.o.b. its Bridgeville, Pa. Plant. Additional quantities of oxide may be delivered in any month by agreement of the parties as advance deliveries of oxide from ore to be mined and milled hereunder. During the period covered by this agreement U.S.V.C. shall have the sole right to mine and mill the ore from the aforesaid claim or claims.

The ore shall be mined and milled by the standard methods then being used by U.S.V.C. on its own production. U.S.V.C. shall not be required to mine and mill the ore separately from its own production but may mix the ore with its own ore. Accurate records shall be kept by U.S.V.C. of all of the weights and analysis of all ore mined and milled in accordance with methods to be mutually agreed upon and U.S.V.C. shall deliver to V.C. seventy-five percent (75%) of the V_2O_5 content of the ore of V.C. mined by it.

Plaintiffs' Exhibit No. 44—(Continued)

In addition to records of weights and analysis, U.S.V.C. will make available upon request of V.C. the diamond drill records and other development data that may accrue during the course of ordinary development and mining of the aforesaid claim or claims.

If V.C. does not require the oxide produced from the ore in the aforesaid claim or claims V.C. may require all shipments of oxide hereunder to be suspended upon three (3) months' written notice to U.S.V.C. and may cause shipments to be resumed upon thirty (30) days' written notice to U.S.V.C. During the time that shipments are suspended U.S.V.C. shall have the right, but shall not be obligated, to continue mining ore and producing fused V_2O_5 therefrom, retaining such ore for future milling and any oxide derived therefrom for future shipments to V.C. The suspension of shipments in any month shall not give V.C. the right to require shipments to be increased in any subsequent month over thirty thousand (30,000) pounds except with the consent of U.S.V.C.

V.C. will pay to U.S.V.C. for mining and milling ore hereunder on the following basis: Sixty-five (65c) cents per pound of V_2O_5 contained as delivered f.o.b. at Bridgeville Plant of V.C.

If the cost to U.S.V.C. of labor, fuel or supplies used in mining ore or producing oxide hereunder should be increased U.S.V.C. may increase the price

Plaintiffs' Exhibit No. 44—(Continued)

to be paid by V.C. hereunder by the amount of such increased cost, by giving three (3) months' prior written notice to V.C. If such increased price is not acceptable to V.C. it may terminate this agreement at the time such increased price is to become effective by giving not less than sixty (60) days' prior written notice of such termination to U.S.V.C.

If at any time U.S.V.C. has not mined sufficient ore belonging to V.C. to produce the oxide required to be delivered to V.C. hereunder, it may deliver such oxide produced from other ore at 65c per pound V_2O_5 as aforesaid, and in such event U.S.V.C. may take title to a quantity of ore subsequently mined by it from the aforesaid claim or claims of V.C. sufficient to produce a quantity of oxide equivalent to the quantity produced from such other ore.

This agreement shall continue for a period of five (5) years from the date hereof unless sooner terminated as herein provided. After termination of this agreement U.S.V.C. shall have the right to produce and deliver oxides to V.C. from any ore mined by U.S.V.C. from the aforesaid claim or claims of V.C. prior to termination. Such deliveries, however, to be taken by V.C. in as nearly equal monthly amounts as possible. If at the time of termination U.S.V.C. has delivered to V.C. any oxide produced from ore other than the ore mined by it from the aforesaid claim or claims of V.C. and has not taken

Plaintiffs' Exhibit No. 44—(Continued)

title to an equivalent amount of ore mined by it from the aforesaid claim or claims of V.C., U.S.V.C., after the termination of this agreement, may mine for itself, and take title to, a quantity of ore from the aforesaid claim or claims of V.C. sufficient to produce a quantity of oxide equivalent to such quantity produced from such other ore and delivered to V.C. V.C. may, at its option, upon giving prior written notice to U.S.V.C., mine such ore itself and deliver such ore to U.S.V.C.

Dated: 6/30/39.

/s/ E. D. BRANSOME,
Pres., Vanadium Corp. of
America,

/s/ J. R. VAN FLEET,
V.P., U. S. Vanadium Corp.

PLAINTIFFS' EXHIBIT No. 45

April 7, 1942

Vanadium Corporation of America
420 Lexington Avenue
New York, N. Y.

Gentlemen:

Please find attached the final statement covering the Maggie "C"—Dry Valley production.

This statement shows that the production of ore

2126 *Continental Ore Company, et al., vs.*

Plaintiffs' Exhibit No. 45—(Continued)

in Dry Valley and Maggie "C" has been completed,
and the account has been closed and settled.

Yours very truly,

/s/ BLAIR BURWELL,
General Superintendent.

AF/Blair Burwell

USVC

Attach.

cc: Mr. J. R. Van Fleet, Mr. W. G. Haldane, Mr.
S. P. Warren.

PLAINTIFFS' EXHIBIT No. 46

[Letterhead of United States Vanadium Corporation.]

September 26, 1941

Vanadium Corporation of America,
No. 420 Lexington Avenue,
New York, New York.

Gentlemen:

In connection with and as part of the delivery of the contract being made between us this date, with respect to the so-called Dry Valley mining claims; we agree that such Agreement settles all claims of ours against you for oxide, and that we will remove all the ore referred to in Paragraph 2 of said Agreement not later than June 1, 1942, subject to delays caused by Acts of God, strikes, labor trou-

Plaintiffs' Exhibit No. 46—(Continued)

bles, accidents, Governmental regulations, or other causes of a similar or different nature beyond our reasonable control, or forfeit all right on that date to remove any more of such ore.

The record of the Custom Milling Account as of September 1, 1941, shows a deficiency of ore from which to recover 294,447 pounds of V_2O_5 . We have extracted ore from the Dry Valley property up to September 1, 1941, amounting to 4,177.82 tons containing approximately 120,823 pounds recoverable V_2O_5 . The deficit in V_2O_5 , therefore, would be 173,624 pounds as of September 1, 1941.

The adjustment of the cost of permanent improvements left on the Dry Valley property had best remain open until the ore to make up the deficiency in V_2O_5 has been extracted. Up to the present time the cost of permanent improvements such as ore bins, roads, etc., has amounted to less than \$1,000 and it is not certain just which of these improvements will be of value after the allotted ore has been extracted.

We have discontinued working the Republican, Donald L. and Maggie C. claims, and are turning them back to you for occupancy. We have no further mining rights on these claims.

The total amount of money to be returned to us upon delivery of the Dry Valley agreement is—\$41,785.39 made up as follows:

Plaintiffs' Exhibit No. 46—(Continued)

Advance to Leverett Davis,	
March 31, 1941.....	\$25,000.00
Molybdenum Corporation of	
America, July 1, 1941...	15,000.00
Molybdenum Corporation of	
America, royalties,	
September 17, 1941.....	1,785.39
<hr/>	
Total.....	\$41,785.39

The royalty payment to Molybdenum Corporation of America is, of course, an advance on the next payment due under their Agreement dated June 26, 1939.

Very truly yours,

/s/ J. R. VAN FLEET,
— Vice President.

EW/J. R. Van Fleet
USVC

O.K. E. D. Burwell.

Agreement made this 26th day of September, 1941, by and between United States Vanadium Corporation, a corporation of the State of Delaware, having an office at No. 30 East 42nd Street, New York, N. Y. (hereinafter called "United States"), party of the first part, and Vanadium Corporation of America, a corporation of the State of Delaware, having an office at No. 420 Lexington Avenue, New York, N. Y. (hereinafter called "Vanadium"), party of the second part:

Plaintiffs' Exhibit No. 46—(Continued)

Witnesseth:

Whereas, by agreement dated March 31, 1941, by and between Leverett Davis, United States and The Vanadium Products Corporation, a copy of which has been delivered to Vanadium, United States acquired from Leverett Davis certain rights in mining claims located in San Juan County, Utah, and in Mesa County, Colorado, described therein, theretofore acquired by The Vanadium Products Corporation from Molybdenum Corporation of America under agreement between said parties dated June 26, 1939, and assigned by said The Vanadium Products Corporation to said Leverett Davis, in consideration of certain payments therefor to be made by United States to said Leverett Davis, as set forth in said agreement; and

Whereas, Vanadium desires to obtain a larger supply of Vanadium ore to enable it to produce Vanadium for National Defense and in view of the needs of Vanadium and of the present emergency United States is willing to transfer to Vanadium its rights in said mining claims upon the terms and conditions hereinafter contained.

Now, Therefore, the parties hereto have agreed and do hereby agree as follows:

1. United States agrees to assign, transfer and set over and does hereby assign, transfer and set over to Vanadium, its successors and assigns, all of the rights acquired by United States under and pursuant to said agreement dated March 31, 1941,

Plaintiffs' Exhibit No. 46—(Continued)

by and between Leverett Davis, United States and The Vanadium Products Corporation in and to the mining claims located in San Juan County, Utah, and in Mesa County, Colorado, described in said agreement, subject to the reservation hereinafter made.

2. United States reserves the right to mine, extract and remove from said mining claims in San Juan County, Utah, sufficient crude ore, which, together with the crude ore heretofore mined by United States from said mining claims, will produce 300,000 pounds of V_2O_5 based on a 75% recovery and to make use of the mill and machinery located on said mining claims for milling such ore, without the payment of any royalty or other charge to Molybdenum Corporation of America or to said Leverett Davis or to Vanadium or to any other person, firm or corporation.

3. United States, its agents, representatives and employees, shall have full right of access to said mining claims and the use of any roads, buildings and other facilities located thereon for the purpose of mining, extracting, milling and removing said ore.

4. Any equipment and machinery heretofore placed on said mining claims by United States may remain thereon and be used by United States until said ore is mined, extracted and removed. All such equipment and machinery heretofore placed on said mining claims by United States shall remain the

Plaintiffs' Exhibit No. 46—(Continued)

property of United States and may be removed by United States from the premises within ninety (90) days after the completion of the removal of said ore.

5. Until the full amount of such crude ore hereby reserved to United States has been mined, extracted and removed by United States from said mining claims Vanadium as assignee of the rights of The Vanadium Products Corporation will permit no default to occur in the obligations of The Vanadium Products Corporation under said agreement dated June 26, 1939, between Molybdenum Corporation of America and The Vanadium Products Corporation.

6. United States agrees to conduct such mining and milling operations in such manner only as is usual and customary in the skillful and proper conduct of work and mining operations of a similar character and in strict accordance with good engineering and mining practice.

7. Within thirty (30) days after the date of the execution of this agreement United States will furnish to Vanadium a statement showing the mineral content and amount of ore heretofore mined by United States from said mining claims and on or before the tenth day of the next calendar month after the execution of this agreement and of each calendar month thereafter United States shall furnish to Vanadium an appropriate statement showing the mineral content and amount of ore mined

Plaintiffs' Exhibit No. 46—(Continued)

from said mining claims and the sales price of such ore sold since the date of execution of this agreement with respect to the first statement and during the next preceding calendar month with respect to subsequent statements.

8. In consideration of the aforesaid assignment Vanadium agrees to pay to United States upon the execution of this agreement the sum of Forty Thousand Dollars (\$40,000) representing payments heretofore made by United States to said Leverett Davis under said agreement dated March 31, 1940, and to Molybdenum Corporation of America under said agreement dated June 26, 1939, and to assume, perform and observe all of the obligations and conditions required to be performed or observed by United States and to make all of the payments now due or hereafter required to be made by United States under the terms of said agreement dated March 31, 1941, and to pay to Molybdenum Corporation of America all royalties and other charges payable under the terms of said agreement dated June 26, 1939 with respect to all ore heretofore or hereafter mined by United States from said mining claims pursuant to the reservation herein made and not heretofore paid for by United States. Vanadium further agrees to pay to United States a sum equivalent to the amount heretofore paid or incurred by United States in constructing roads, buildings and other permanent improvements on said mining claims.

9. Each and all of the terms and conditions of

Plaintiffs' Exhibit No. 46—(Continued)

this agreement shall be binding upon and enure to the benefit of the respective parties hereto, their successors and assigns.

In Witness Whereof the parties have executed this agreement as of the day and year first above written.

**UNITED STATES VANADIUM
CORPORATION**

/s/ By **J. R. VAN FLEET,**
Vice President.

**VANADIUM CORPORATION OF
AMERICA,**

/s/ By **E. D. BRANSOME,**
President.

PLAINTIFFS' EXHIBIT No. 55

**Vanadium Corporation of America
Inter-Office Communication**

Boulder, Colorado. Date: October 22, 1939.

To: Mr. Frederick F. Kett, Gen. Mgr. Mining Division, New York.

From: Robert Sterling.

Subject: H. L. Brown-Gateway Mill.

Your letter of October 18th, 1939.

I note that Brown has sent you a sample of his red cake, which you are going to have analyzed.

Like you, I doubt whether he will want to sell his claims—at least until he finds he cannot make a go of it

Plaintiffs' Exhibit No. 55—(Continued)

I should say that the "rough" people he refers to are probably the ones he sold his red cake to. I hardly think the USV would make him any offer. They would rather just break him and run him out of business, though they might want his claims. At that, as far as I know the Calamity group are all they own, and the Gateway Alloys don't own even them. They were bought by one Bowen who seems to have put up the money for them, and who has some money invested in the mill.

I understand that the outfit that is building a mill at Cedar is going to treat the ore by simply dumping the ore-salt mix into a furnace along with coal and then extract the vanadium from the ashes. They have moved the old mill Thurber started to build down at Disappointment, near the Dolores.

S.

R. S.

Vanadium Corporation of America
Inter-Office Communication

Date: October 3, 1938.

To: Mr. E. D. Bransome, President.

From: Frederick F. Kett, General Mgr., Mining
Division.

Subject: Conversation with Mr. Van Fleet on Friday, September 30, 1938, re Vanadium Plant being built at Gateway, Colorado.

Mr. Van Fleet said that young Brown worked as a draftsman for Burwell at Urvan for a couple of years, up to the end of 1937 more or less.

Plaintiffs' Exhibit No. 55—(Continued)

The idea of a mill at Gateway is something that Brown, Jr. has evolved, as far as Van Fleet knows, without any testing work to speak of. He got his father interested and Brown, Sr. raised \$25,000 for the project.

They have no mining property of their own. They figure on buying ore, some of it from Polar Mesa, although not necessarily from Hardinsohn, since there are several other outfits producing or capable of producing ore at Polar Mesa. Polar Mesa is only some 12 miles airline from Gateway, possibly twice as much by road.

We agreed that the chances for a purely custom mill being a success were not good, also that the process as described by Mr. Sterling sounded exotic.

Mr. Van Fleet was glad to get our information and said he was passing it along to Dr. Haldane.
FFK:DR

PLAINTIFFS' EXHIBIT No. 56

Vanadium Corporation of America
Inter-Office Communication

Date: September 12, 1939.

To: Mr. Robert Sterling, Sr. or Jr., c/o Frank
Wilson, Naturita, Colo.

From: Frederick F. Kett, Gen. Mgr., Mining Div.
(Air Mail)

We wired you today as per copy enclosed.

Plaintiffs' Exhibit No. 56—(Continued)

Due to the dry season just closing in Peru and the consequent two months annual shutdown of plant, our stocks of oxide in Bridgeville must be immediately supplemented. Our position is particularly acute on account of the war. We have already received a quantity of oxide from the U. S. V., which they claim exceeds any amount which they are likely to get off the Maggie C. Hence the delivery to them of the ore in storage in mill yard, which will release immediately to us a certain additional quantity of oxide.

A further quantity of oxide is still desired by us from the U. S. V., and in order to get this at an early date we will have to turn over something in the way of ore reserves. We may have to allow them to mine a minor amount of the ore from the Buckeye in case we fail to develop in other claims sufficient ore to cover our immediate oxide requirements. We hope that we will not have to do this and that this ore can be developed in some one of our claims at Long Park. In our opinion, the Donold L presents the best prospect for this development, as well as being easily accessible to the U.S.V. through their Cripple Creek workings. We are therefore asking you to drill this claim as quickly as you can and to send drill logs and samples, if any, forward as soon as each hole is finished.

FFK:DR

(Enclos.)

CC Boulder, Colorado.

Plaintiffs' Exhibit No. 56—(Continued)

P. S. All the above does not alter our general policy as regards operations at Naturita.

FFK

**Vanadium Corporation of America
Inter-Office Communication**

Date: June 26, 1940.

To: Mr. Robert Sterling, Mgr., Boulder.

From: F. F. Kett, Gen. Mgr., Mining Div.

Subject: Naturita—General.

(Air Mail)

The matter of getting back our claims from the USV has not been definitely settled yet; I will advise you immediately as soon as we know one way or the other. In the meanwhile there is nothing we can do about John Blake's lease on the Republican, unless the USV would be willing to let him continue mining on this claim and delivering ore to us. While we have every reason to believe that the sudden drop in values of the ore mined by Blake during May, which drop was coincident with the return of Joe Weston from Utah, was not due to natural causes, still a close study of the drill holes will show that the amount of mill ore is limited and pretty well confined to three patches. We may find that the ore actually has dropped off in value. Anyway we cannot be absolutely positive until we ourselves have received and sampled a quantity of this ore. For the moment just let this whole matter ride until we can clear it up at this end. I fore-

Plaintiffs' Exhibit No. 56—(Continued)

saw that Blake's lease would be cancelled as soon as it was known that he had contracted to us his ore in Little Gypsum Valley. Please note that we do not refer to this area as Silvey's Pocket, which actually it is not.

In case we get these claims back and allow Blake to continue mining on the Republican, I do not think we should give Blake a written lease. I believe he would be perfectly happy to continue mining on the Republican on the same basis that he was mining for the USV and it could be that we ourselves might want to mine that claim, on a somewhat bigger scale than John is prepared to do.

In the last paragraph of Renner's report for week ending June 15, 1940, he asks about the advisability of establishing a stock-pile near Egnar, with installation of a weigh scale. We discussed this question when I was in Naturita and agreed that this question contained considerable dynamite. It would be tantamount to increasing our purchase price schedule of ore delivered to our mill. We agreed that the one thing which we do not want to do is to start on competitive bidding for ore, since there is no question but what we could be outbid, due to the lower processing costs in the USV plant. Also, we would have to put in a sampling plant at the stock-pile, quarters for the sampler, etc. I figure that our investment for all this would be in the neighborhood of \$3,500, which of course is not much if spread over a considerable tonnage. I think

Plaintiffs' Exhibit No. 56—(Continued)

we should wait a month or two before making a decision on this, and in any case I cannot see why such a stock-pile should be on the west side of the Dolores River; if it were located on the road anywhere east of Joe Davis Canyon it seems to me we would still be able to pick up the ore that is now going to the USV stock-pile. However, it seems to me that we can think of something better than this: it does not make sense to me to haul this ore part way, dump it, sample it, and then pick it up again and run it to our mill. Even buying our ore mine side would beat this and at the same time not lay us open to the charge of having raised prices.

With regard to detachable bits, we are not going any further in that matter here. Get any bits you like from wherever you like.

Until the USV are prepared to give us quit claim deeds on the Vanadate, Radium King #2 and Radium King #3, I would not give them the drill logs for the drilling on the East Media. Burwell told me in Renner's presence that he had these quit claim deeds with him on his visit to Uravan when I was out there last time.

Bonker says that part of our Bagger workings are over on the Great Western. Please advise whether this trespass is serious or not, or if there is a real trespass. Also, what are the indications for there being any tonnage of milling ore on our side of the line.

Plaintiffs' Exhibit No. 56—(Continued)

What was the final outcome of our dealings with the Gramlichs? The last I heard was that they were continuing to find places where the "shoe pinched."

I hope you are right about being able to hold ground on the basis of tunnel sites. It would be rather embarrassing to pay Scott & Robinett \$10,000 for the property and then have somebody take it away from us.

Regarding the 34 claims belonging to Snyder, which are said to be under option to the International Vanadium Co. (Dripping Springs, Arizona). The two men controlling the International Vanadium Co. are Harold S. Lyon and Justin Haynes, both located here in New York. These gentlemen assured me that the International Vanadium Co., to the best of their knowledge, has no interest in these claims. They never heard of them and say that there has not been \$750 in the treasury for the purchase of anything much less additional vanadium claims in Colorado, for a long while. They think it is just possible that Hertz may be trying to promote something with some other money obtained from other sources, using the name of the International Vanadium Co. They are investigating this angle and will advise me what they find. Maybe Renner might be able to run this down a little closer at his end; at the moment it looks very much like Snyder was lying about this option.

FFK:DR

PLAINTIFFS' EXHIBIT No. 58

Mr. H. D. Keiser

January 22, 1948

Atomic Energy Commission

1901 Constitution Avenue, N. W.

Washington, D. C.

Dear Hugh:

Following our brief but interesting meeting in Washington, I met with John Gustafson in New York on the following day. We covered again in a somewhat brief fashion the subjects which you and I discussed in Washington. John Gustafson did not have a copy of my memorandum, and the talk was limited to the "high spots" of the general Colorado situation. I did have the feeling after this talk that John Gustafson would approach the problem on a sound engineering basis.

Walter Remmers of our Corporation had passed me on his way west, and I found that he was in Grand Junction conferring with Dave Baker and Bob Ridgway as to their pending proposal to the Commission. While in New York I had the opportunity of talking with Jim Rafferty (Vice-President and Director of Carbide) whom you probably remember and other officials of the Carbide Corporation. In particular, I found Mr. Rafferty intensely interested in the situation out West, and I discussed with him the possibility of following out new processing plans for the region. In 1943 this subject was first discussed with Jim Rafferty and General Groves, and Mr. Rafferty is keenly interested in the regional situation today.

Plaintiffs' Exhibit No. 58—(Continued)

Incidentally, I found a strong effort to dissuade me in my intention of leaving Carbide by February, but stuck fast to my original plans to be relieved by February 1.

With Jim Rafferty was arranged a meeting in Niagara Falls on January 15 to discuss the engineering approach to the regional problems. Walter Remmers returned from the West for this meeting which included Dr. Kinzel (Vice-President of Union Carbide & Carbon Research); Joe Brennan, Chief Metallurgist; and Bob Briney, E. Doom and Andy Gailey. This group in general believed that the Process "C" of my chart gave the most favorable answer to the problem of uranium production, as is covered in the attached copy of a letter from Joe Brennan to Walter Remmers.

In the main, there does not seem to be much question as to the engineering approach to the problem of processing the carnotite ores, but most of the questions revolved about the disposal of excess vanadium. In this connection I had an interesting talk with Ted Bransome as a result of a casual meeting which developed into a brief discussion of the western situation. I told Ted that I believe that vanadium could be produced at a by-product price of 65 cents per pound of V_2O_5 from a properly engineered plant with the economies of such a plant and at the same time would produce uranium for the Government at a much lower price than is being considered now. While the price of 65 cents per pound of V_2O_5 would be a God-send

Plaintiffs' Exhibit No. 58—(Continued)

to V. C. A., in view of their present 85-cent cost, the principal concern of T. B. was the possibility that this material would also be available for open market sale at the same price, which might enable competition to enter the ferrovanadium field by way of Continental Ores or other competitors. The price which I had suggested on my chart of 65 cents is a price better than the more favored cost of either of the two companies when producing at their present sales rate. I think it is going to be difficult to compose the warring interests of the vanadium industry and that it is going to take a diplomat of the first water to take care of the reasonable interests of the vanadium industry and yet avoid the ever-present monopoly question which is sited in the present monopoly suit. I have a feeling that John Gustafson will be equal to the job.

One point of interest here is the apparent feeling among those of our Corporation that we should lean backwards if possible in assisting the Commission in its development of the district, rather than crowd the ills and needs of the vanadium industry into the picture at this time.

King Haldane sends his best regards to you with the hope that he will see you out in this country soon.

With personal regards, I am

Sincerely yours,

BLAIR BURWELL.

BB/hjl

Enc.

PLAINTIFFS' EXHIBIT No. 62

[Note: Special Report dated February 20, 1942, Inter-Office Communication dated March 14, 1942 and Special Report dated April 14, 1942 are all read in evidence at pages 672-676 of this printed record.]

Vanadium Corporation of America
Inter-Office Communication

Date: Boulder, Colorado, April 22, 1942.

To: Mr. Frederick F. Kett, Gen'l Manager Mining
Division N. Y.

From: Robert Sterling, Manager.

Subject: Your Letter of April 20th.

Kimmerle Report—As long as this matter has come up in the way it has, I think *Kimmerly* should be put on the spot to prove his statements. Such things do go on, whether at our plants or not, and it generally involves collusion between someone in the plant and some outsider. It would really go hard with them, if anything could be proved. However, all that can be *be* left until you come out.

Sale of Ore to Balsley—There was some doubt in my mind about selling small lots to Balsley except on a cash-on-the-barrel-head basis. Even then, no matter what he promised, I think there would be interminable delay in getting the cash—as, always, in the past. I assume that if any high grade comes into Monticello, it should be held and eventually transferred to Naturita for shipment

Plaintiffs' Exhibit No. 62—(Continued)

from there with any carload of slimes that may be accumulated? In fact any high grade produced at the Yellow Bird may as well go direct to Naturita, and so save transferring it later on? They might run into another "Tree" at any time.

Dry Valley Claims—I have no doubt that the matter of the whereabouts of all the claims in Dry Valley will be cleared up in the course of time, and that there is really nothing to worry about, except to see that the Affidavits of Annual Assessment Work are filed. That is, of course, up to the Moly Corporation, or U.S.V. and can, as you say, be checked up at the Monticello (not Moab) court house. The claims are all in San Juan County.

Ore Prices—Your decision on that matter is definite, so no price changes will be conceded without first getting authority from you. It's rather hard to know how to decide, when the producers tell us these stories about U.S.V. offering more, and then U.S.V. denying it. It is difficult to learn who is lying. Personally, I am inclined to believe the "honest miner."

Property Deals—It is my intention, of course, to advise and consult with you on any property deals. It seems to me the present arrangement should save you a lot of grief and letter writing, as I imagine you have plenty to do without being bothered with something that can be handled perfectly well out here without troubling you.

That \$100.00 was paid on an option on the so-

Plaintiffs' Exhibit No. 62—(Continued)

called Hyde claims belonging to Mrs. Hyde and two of her nephews, and which we have been trying to line up ever since last fall. These claims join the Happy Jack, the workings of which are getting pretty close to them. The \$100.00 was for 90 day option then \$1,000 down, then \$500.00 in 90 days, and the balance on a 10% royalty—total price \$6,000.00, I have asked Garard for copies of the option.

I have just received from Blitz, copies of the contract he has negotiated with the Waggoners on 15 claims on Carpenter mesa. You have a copy of his letter of April 20th, on the subject. In case he did not send you a copy of the contract, one is enclosed herewith. I shall sign and return them today.

Blitz is very sure there is \$3,000.00 worth of positive ore and that we are more than safe in buying them on the terms set out in the contract.

Apex Smelting Co.—It is nice to know that we won't have to worry about them after July 1st.

Norwood Bridge—As you know, the needed steel is to be rolled this month. However, there isn't a chance of the bridge being in place before the high water comes and goes; so we shall just have to pray for the best. The Highway Department seems to be prepared to replace the old one, if necessary.

Moab Bridge—Garard went to Salt Lake and got the Highway Department there to allow a 20-ton load over this bridge. As most of the heavier

Plaintiffs' Exhibit No. 62—(Continued)

stuff has already passed over, the 20-ton load should see us through, until the bridge is strengthened. One would think they could get the necessary priority for the needed steel.

Navajo Indian Reservation—I agree with you, as I said in my letter of April 17th, that there would be no need of tying up more ground on the reservation, until we have found something worth getting. I think then, we could get anything within reason. Garard has established a camp at Tee-nes-pah, having in some way secured the CCC Camp for nothing, and has three or four men prospecting.

ROBT. STERLING.

PLAINTIFFS' EXHIBIT No. 64

Seller--Buyer: Agreement dated the 15th day of May 1940 between Anaconda Copper Mining Company, a corporation of the State of Montana, having an office at 616 Hennessy Building, Butte, Montana, (hereinafter called the "Seller"), and United States Vanadium Corporation, a corporation of the State of Delaware, having an office at No. 30 East 42nd Street, New York, N. Y. (hereinafter called the "Buyer");

Witnesseth:

The parties hereto have agreed and do hereby agree as follows:

That the Buyer has contracted to purchase from

Plaintiffs' Exhibit No. 64—(Continued)

the Seller and the Seller has contracted to sell to the Buyer at the price and upon and subject to the terms and conditions following, viz.:

Material: Vanadium Pentoxide in the form of red cake precipitate.

Specifications: Approximately 94% Vanadium Pentoxide (V_2O_5); not over .02% Phosphorus (P); not over .01% Arsenic (As); not over .005% Lead (Pb); approximately 8.00% Soda; not over .25% Sulphur (S).

Quantity: The entire production of said material of Seller's plant at Anaconda, Montana, for a period of two years beginning January 1, 1941 and ending December 31, 1942. The Buyer shall have no obligation to purchase in excess of 200,000 pounds in each calendar year, but shall have an option to purchase any part or all of Seller's production in excess of 200,000 pounds in each calendar year.

Price: Seventy cents (70c) per pound of contained Vanadium Pentoxide (V_2O_5).

Mode of Delivery: F.o.b. cars at Columbiana, Ohio, or Grand Junction, Colorado, at Buyer's option, in earload lots.

Terms of Payment: Payment shall be made on or before the 15th day of each calendar month for all material delivered during the preceding calendar month.

In Witness Whereof the parties have executed

Plaintiffs' Exhibit No. 64—(Continued)

this agreement as of the day and year first above written.

Signed at Butte, Montana.

[Seal] **ANACONDA COPPER MINING
COMPANY,**

/s/ By D. M. KELLER,
Vice President.

Attest:

/s/ By [Illegible]
Assistant Secretary.

[Seal] **UNITED STATES VANADIUM
CORPORATION,**

/s/ By J. R. VAN FLEET,
Vice President.

Attest:

/s/ By A. C. CONNELL,
Secretary.

United States Vanadium Corporation
Carbide and Carbon Building
30 East Forty-Second Street, New York

December 1, 1942

Anaconda Copper Mining Company,
616 Hennessy Building,
Butte, Montana.

Dear Sirs:

We desire to confirm the arrangement made with
your Mr. F. O. Case, as follows:

Plaintiffs' Exhibit No. 64—(Continued)

The agreement between us dated the 15th day of May, 1940, relating to the sale by you and the purchase by us of vanadium pentoxide in the form of red cake precipitate, is hereby amended by striking out the first sentence of paragraph captioned "Quantity" and by substituting for said sentence the following words — "The entire production of said material of Seller's plant at Anaconda, Montana, for a period of six years beginning January 1, 1941 and ending December 31, 1946".

All other conditions of said agreement of May 15, 1940, shall remain in full force and effect as though set forth at length herein.

If the foregoing meets with your approval, will you kindly signify your acceptance on one copy of this letter and return the same to us and the said agreement will be deemed amended accordingly.

Yours very truly,

UNITED STATES VANADIUM
CORPORATION,

/s/ By J. R. VAN FLEET,
Vice President.

Accepted:

ANACONDA COPPER MINING
COMPANY,

/s/ By D. M. KELLER,
Vice President.

PLAINTIFFS' EXHIBIT No. 68

Inter-Company Correspondence

Company: United States Vanadium Corp.

Location: New York City.

Date: September 1, 1938.

To: Mr. W. G. Haldane, Supt.

Location: United States Vanadium Corp., Uravan,
Colorado.

Copy to: Mr. Blair Burwell, Uravan.

Subject: Sludge, Vanadium.

Air Mail.

Confidential.

Dear King:

Electro Metallurgical Company has developed a new alloy containing mostly vanadium and silicon, which is used in reducing or cleaning steel. The practice now in some of the steel manufacture is to use about two (2) pounds of aluminum metal per ton of steel, which controls the grain size in the steel. Vanadium will do this job a great deal better with no ill effects if the control is not absolute, and coupled with metallic silicon it does an admirable job. Some of this alloy has already been made and a great deal of interest has been shown.

You will recall, or at least I recall talking with Blair, about the possibility of preparing a vanadium product containing silica, alumina and iron, which could be very cheaply done. I had in mind somewhere around 25c to 30c per pound for the contained V_2O_5 . A vanadium product such as this,

Plaintiffs' Exhibit No. 68—(Continued)

could be reduced directly in the electric furnace with the proper fluxing, resulting in the desired alloy. Fused V_2O_5 can also be used with the proper additions of quartzite, alumina, etc., but for the present at least, we will not be able to use fused oxide, because we cannot charge the regular price for vanadium in the alloy. It is considered that this condition will not last over a great period of time, and that we ultimately can use the fused oxide and charge the regular price for vanadium in the alloy.

I am very anxious to supply such a material and it looks like the sludge "B" would answer the purpose. It seems to have rather an excess of alumina, but this can be balanced by the addition of quartzite and, possibly, a little more vanadium in some more concentrated form. The alloy should contain 5% V. This business could, probably, be worked into sales amounting to 1,000,000 to 2,000,000 pounds V_2O_5 annually, and is worth going after.

In looking over the notes on the sludge, I note that it costs approximately \$3.00 per ton to treat one (1) ton of the old tailings. If we allow 50c per pound for the seven (7) pounds of U_3O_8 recovered from the "A" sludge, it would appear that the U_3O_8 recovered would pay for the operation and we could afford to foster this business and supply the "B" sludge for as little as 25c or 30c per pound V_2O_5 , making an additional profit on the sale of uranium.

Plaintiffs' Exhibit No. 68—(Continued)

I would like to know what the cost of removing most of the uranium from the "A" sludge is, and I wish you would sharpen your pencil and see what you can figure out in producing something to fill this bill. I realize that the amount of tailings are limited and that we are not getting much return, but we would not have to continue furnishing this sludge for this purpose for any great length of time and, eventually, fused oxide will be used.

Confidentially, the reason why we must use some product other than fused oxide in this alloy to start with, is that we cannot sell vanadium for less than the market price, unless we can show that we do not use fused oxide and that we are using an impure by-product which cannot be used in any other way. For several years I have been trying to have the sales price of vanadium considerably reduced, and this would be an entering wedge. It has always been my opinion that if we were able to reduce the sales price of vanadium, it would encourage its use.

Very truly yours,

/s/ J. R. VAN FLEET.

EW/J. R. Van Fleet
IC

PLAINTIFFS' EXHIBIT No. 69

Vanadium Corporation of America

Inter-Office Communication

Date: June 26, 1941.

To: Mr. E. D. Bransome, President.

From: F. F. Kett, Gen. Mgr., Mining Div.

Subject: Dry Valley Ore—USV.

I called on Mr. Van Fleet at his office yesterday. Mr. Burwell was also there.

Burwell seemed quite surprised that there had been any talk about division of the Dry Valley ore; he claimed that that was the first he had heard of it. He said that his report on the possibility of rehabilitation of their old plant at Rifle, Colorado, had counted on the Dry Valley ore, in connection with some ore which remained in the old Rifle deposits, as the ore supply for this rehabilitated plant.

I said that I had understood our conference was not for the purpose of deciding whether we would get half of the Dry Valley ore or not; that I thought this question had been decided and that I was there simply to arrange the details of stockpiling and payment. Van Fleet then told Burwell that there was no question at all about his having definitely promised us half of the ore, and that if we insisted we would have to get it. However, Van Fleet did say that delivery to us of half of this tonnage would no doubt put a serious kink in their Rifle operations.

Van Fleet wanted to know if our operations at

Plaintiffs' Exhibit No. 69—(Continued)

Naturita would be seriously hampered right now if we did not get this ore. I told him that this was not the case and that we intended to stock-pile the ore for the moment until such time as it was convenient for us to haul it. I did not say where we might haul it, but he naturally assumed that our idea was to haul it to Naturita.

Van Fleet said that the overall picture as regards their vanadium production was very different now to what it was at the time he promised us delivery of half of this Dry Valley ore, that they were being pressed very hard for production and that this ore had now become a vital necessity for them for immediate use. He suggested that we let the question remain open for the moment since he wanted to confer with his officials. He was to get in touch with you today or tomorrow before I left for Colorado, if possible.

/s/ F. F. KETT.

FFK:DR

CC PJG

PLAINTIFFS' EXHIBIT No. 70

Vanadium Corporation of America
Inter-Office Communication

Date: Boulder, Aug. 31st, 1941.

To: Mr. E. D. Bransome, Pres.

From: F. F. Kett, Gen. Mgr. Mining Div.

Subject: Utah Vanadium.

It is possible that Van Fleet may present some sort of concrete proposal on the subject of the Dry Valley contract assignment, before my return to N. Y. from Colorado.

It occurs to me that it may be that Dry Valley possibly is looking very sick right now and that the probability of getting even 10,000 tons from it may be very slim. This is probably not so, but it could happen.

Therefore, I think that either you or Mr. Gibbons should phone Van and suggest that his proposal embody the following:

(1) The 10,000 tons (or rather 300,000# of recoverable V_2O_5) to be taken from the property before June 1st, 1942. If this amount is not taken from the property before that date, than our obligations to return them any further ore in liquidation of the 300,000# of oxide are cancelled.

(2) The claims now held by them at Long Park (Maggie C, Donald L and Republican) to be turned back to us in any case, immediately upon assignment to us of the Dry Valley contract.

I am afraid that if we do not specifically men-

Plaintiffs' Exhibit No. 70—(Continued)

tion the above two points, they may drag the work and at the end of a year claim that there is no more profitable ore in sight, or if there is that it will take additional time to get it out. In which case we will have to pay another \$15,000 to Moly to protect our investment, whether we like it or not.

In they really think there is at least 10,000 tons in sight and that they will get it out in the next 8 months, they should have no objection to turning back the Long Park claims at once.

We should make the date June 30th, as above, so we will have 30 days to make up our minds what to do, before having to make the payment to Moly.

Conger is looking pretty good, also the Spider Leg; Double Header looks like a flop. We will be leaving here tonight for Montecello.

/s/ F. F. KETT.

PLAINTIFFS' EXHIBIT No. 71

**Vanadium Corporation of America
Inter-Office Communication**

Date: Boulder, Colorado, June 13, 1940.

To: Mr. Frederick F. Kett, New York Office.

From: Robert Sterling.

Subject: Naturita—Oscar Krabbe Properties.

I have forwarded your letter of June 11th to Renner. If he has not arranged for Krebbe to

Plaintiffs' Exhibit No. 71—(Continued)

come over to Naturita by the time I get down there next week, I will get in touch with him. Since he used to work for me at Fall Creek, I may be able to get a better deal out of him.

I agree with you that this matter should be closed as soon as possible—before someone puts other ideas in his head.

We may be up against the USV ore stockpiling at the Mesa Vanadium mill, in which case, we shall have to make some concession on the truck haul.

Garard was in yesterday and said USV "says" they are paying only \$2.00 haul from that area, which means, of course, that they are making an allowance somewhere along the line to make up the difference. Why should we attempt to work with that outfit at all?

If we can enter into Krabbe's picture by furnishing help in some way on a road, as you suggest, or otherwise, we can sew up his ground and output. His original proposition to me, you will remember, was to help him develop it by diamond drilling; perhaps we can work out something along those lines. Unless we should greatly increase our own trucking facilities, so we can haul this far away ore ourselves, it looks like we will have to stockpile ourselves, somewhere in that area, even if it raises the cost of oxide 5c a pound.

S.

/s/ W. B.

PLAINTIFFS' EXHIBIT No. 72

Inter-Company Correspondence

Company: U. S. Vanadium Corporation.

Location: Uravan, Colorado.

Date: December 27th, 1941.

To: Mr. W. G. Haldane.

Location: New York City.

Dear King:

I have yours of the 24th regarding Mr. Kett's protest against my bidding on a Mr. Lyen's ore.

This is evidently only an attempt by Lyen to push the V.C.A. up on their price for the ore. I have never met Lyen, nor had any correspondence with him. I do, however, know something of his record. He worked for the North Continent, and Slim Lundquist advised me he was a trouble-maker and was discharged. Later, he had a lease on the Martin-Coefield property which resulted in trouble, and he was removed by Luther Watt. At present he has a lease on the Mucho Grande claim in the Mae Williams group.

John Hill advises that Lyen called at this office recently while I was in Dry Valley, and stated that he would like to sell us some ore and that he was furnished with our regular list prices, and definitely was not offered \$2.00 per ton over these established rates.

Yours very truly,

/s/ J. E. WESTON (MC).

J. E. Weston.me

[Handwritten note: O.K. on going into Dry Valley provided does not interfere.]

PLAINTIFFS' EXHIBIT No. 73

E. M. Company—New York

Mr. S. C. DuTot

May 10, 1944

E. M. Sales Corporation

Pittsburgh, Pa.

Messrs: P. S. Lewis, W. E. Remmers, R. J. Portmann.

Confidential.

Dear Baldy:

We were discussing this morning the follow up work Carl de Laval has been doing on calcium tungstate briquets, with and without a combined reducing agent, in accordance with your letter of April 13 and my reply of April 17. It was decided that for the present we should discourage making briquets with any form of reducing agent, and not push the sale of calcium tungstate nuggets beyond the sale of our present stock of 13,000 to 14,000 pounds of contained tungsten in nugget form.

We are, however, anxious to sell the stock we have on hand.

There are several reasons for our having made this decision. We are selling ferrotungsten and tungsten metal powder far in excess of our own supplies of tungsten ore, and to meet this demand we are purchasing large amounts of ore from Metals Reserve. We are fearful that the trend in supplying ores with combined reducing agents will lead to direct reduction of other metals such as

Plaintiffs' Exhibit No. 73—(Continued)

vanadium, columbium, and chromium. As a matter of fact, we have recently refused to supply vanadium oxide and columbite with combined reducing agents on the ground that we are primarily in the ferro-alloy business and are not interested in the sale of ores, especially when we can make use of our large smelting facilities. You can readily understand that we do not want to promote any practice in steel making that would be in competition with our own ferro-alloy business, which we would be doing if we encouraged the reduction of metals from ores by steel makers.

We may have to sacrifice some business which would go to the people who sell ore in any event, but we will not be breaking down our own business which is smelting ores into ferro-alloys. It will be our task to convince our customers that the most practical and economical way to make steel is to use ferro-alloys.

I have written you at length on this subject so you will understand the reason for making this policy.

Very truly yours,

/s/ W. J. P.

WJP/MHB

PLAINTIFFS' EXHIBIT No. 74

TOLL AGREEMENT

This Agreement, made and entered into as of the 26th day of January, 1943, by and between United States Vanadium Corporation, a corporation duly organized under the laws of the State of Delaware and having an office at 30 East 42nd Street, New York, New York, as Agent for Metals Reserve Company (hereinafter sometimes called "Agent"), and Frank Nisley, Grand Junction, Colorado, and Hays C. Wilson, Rifle, Colorado, a partnership doing business as Nisley & Wilson, as Lessees of the vanadium ore treatment plant at Gateway, Colorado, formerly owned by Gateway Alloys, Inc. (hereinafter called "Lessees"):

Witnesseth:

Whereas, Metals Reserve Company was duly organized as an agency of the Government of the United States to assist in the National Defense Program by producing, acquiring, carrying, selling or otherwise dealing in critical and strategic materials, such as vanadium; and

Whereas, by that certain Vanadium Agency Agreement, dated as of May 9, 1942, between United States Vanadium Corporation and Metals Reserve Company, Metals Reserve Company appointed United States Vanadium Corporation as its Agent to purchase vanadium ores suitable for treatment in, and to supply such ores to, such vanadium ore treatment plants as Metals Reserve Company should designate; and

Plaintiffs' Exhibit No. 74—(Continued)

Whereas, Metals Reserve Company has designated the vanadium ore treatment plant at Gateway, Colorado, formerly owned by Gateway Alloys, Inc. (hereinafter called the "Gateway Plant"), and under lease to Lessees from the present owner, H. I. Gardner, as one of the vanadium ore treatment plants to be supplied with vanadium ore by Agent under said Agency Agreement, and has authorized Agent to enter into this Agreement; and

Whereas, Lessees are willing to treat vanadium ore supplied by Agent and to return to Agent all fused vanadium oxides and tailings produced therefrom, upon the terms and conditions hereinafter set forth;

Now, Therefore, in order to make possible the continued production at the Gateway Plant of fused vanadium oxides necessary for war effort, and in consideration of the mutual promises and agreements herein mutually covenanted and agreed by and between Agent and Lessees, the parties have agreed and do hereby agree as follows:

1. Definitions. Wherever used in this Contract unless otherwise specifically defined,

(a) The term "ton" means a dry short ton of 2,000 pounds, avoirdupois;

(b) The term "pound" means a pound avoirdupois;

(c) The term "ore" means vanadium ore purchased by Agent pursuant to said Agency Agreement dated as of May 9, 1942, and containing not

Plaintiffs' Exhibit No. 74—(Continued)

less than 1.50% V_2O_5 as calculated by weighted averages during any one settlement period.

(d) The term "vanadium oxide" means fused vanadium oxides produced by Lessees at said Gateway Plant from ore delivered hereunder by Agent.

2. Term. This Agreement shall commence on the day when sufficient ore to commence milling operations shall be delivered by the Agent to Lessees, and shall continue for a period of ninety (90) days from that day, or until this Agreement is cancelled, but in no event beyond July 28, 1943, unless a subsequent agreement is entered into between the parties.

3. Material. All ore treated by Lessees during the term of this Agreement shall be ore delivered by Agent to Lessees for treatment hereunder. Nothing herein contained shall ever be construed as passing to Lessees any title or interest in the ore delivered to them, or to the vanadium oxide to be delivered by them, to Agent.

4. Delivery of Ore and Quantity. Agent agrees to use its best endeavors to deliver to Lessees, at their Gateway plant, quantities of ore sufficient to operate said plant at full capacity during the term hereof, and it is estimated that the quantity of ore required for this purpose will be approximately 20 tons each 24 hours.

5. Weighing, Sampling and Analysis of Ore. Ore shall be delivered by Agent at Agent's Sampling Plant at Lessees' Mill in lots of approximately 20

Plaintiffs' Exhibit No. 74—(Continued)

tons each. Each lot shall be weighed and sampled at Lessees' expense promptly after delivery in accordance with standard practice and in the presence of a representative of Agent, whose services shall be paid for by Agent. Lessees may accept Agent's weights and samples, in which event Lessees will be furnished weight tickets and sample pulp. It is agreed that when Lessees do not desire to accept Agent's samples, the samples so taken by the parties hereto shall be divided into three (3) parts, one to be retained by Lessees, one to be retained by Agent and one to be sealed and held by Agent as the umpire sample. Lessees' sample shall be assayed promptly by Lessees' analyst and copies of the resulting analysis shall be furnished promptly to the Agent. Such analysis shall be binding upon the parties and shall be taken as the basis for the treatment charges hereunder, unless within five (5) days after receipt of such analysis, Agent shall deliver to the Lessee a written request for analysis of the umpire sample. In such event, the umpire sample shall immediately be delivered by Agent to the umpires as specified and directed on the attached umpire list, as mutually agreed upon, for assay, and the umpire assay shall be taken as correct in carrying out the provisions of this agreement. The cost of the umpire assay shall be borne by the party whose assay is furthest from the umpire.

6. Treatment of Ore, and Delivery of Vanadium

Plaintiffs' Exhibit No. 74—(Continued)

Oxide and Tailings. Lessees agree to operate the Gateway Plant at full capacity during the term hereof, to receive and treat at said Plant all ore delivered hereinunder by Agent and thereafter to return to Agent, suitably sacked in bags properly and legibly marked and securely fastened at said Plant, without cost to Agent, and to be delivered as hereinafter set forth, all vanadium oxide produced from such ore, the vanadium pentoxide (V_2O_5) content of which shall not, in the aggregate, be less than 70% of the vanadium pentoxide content of the ore so treated, determined as provided in Paragraph 5 hereof. In addition, Lessees agree to store at the Plant, in a suitable storage area, all tailings resulting from the treatment of ore hereunder, without charge to the Agent, and to hold such tailings for disposal by the Agent as the Agent may specify in writing. Lessees shall deliver to Agent in respect to all tailings so stored, Storage and Ownership Certificates in the form hereto attached and marked Exhibit A.

7. Treatment Charges and Payment. The treatment charges for ores treated by Lessees hereunder shall be based upon the vanadium pentoxide recovered from the ore and delivered to the Agent and shall be as follows:

85c per pound of vanadium pentoxide contained in the vanadium pentoxide produced from ores having a vanadium pentoxide content of 1.50% with a reduction of 0.1c per pound for each 0.01% in-

Plaintiffs' Exhibit No. 74—(Continued)

crease in vanadium pentoxide content in said ore up to 2.00%.

80c per pound of vanadium pentoxide contained in the vanadium pentoxide produced from ores having a vanadium pentoxide content of 2.00% or more, with a reduction of 0.2c per pound for each 0.01% increase in vanadium pentoxide content over 2.00%.

On the 15th day and the 30th day of each and every month hereafter during the term of this Toll Agreement, or any subsequent Toll Agreement, the Agent will pay to the Lessees 90% of the treatment charges for vanadium oxide produced during the preceding half month period. On or before the 10th day of each and every month hereafter during the existence of this Toll Agreement, or any subsequent Toll Agreement which may be made by the parties, final settlement for treatment charges for the preceding month shall be made, and shall be based upon the weighted average vanadium pentoxide content of vanadium oxide delivered hereunder during such month. Within 10 days after the end of each such period, Lessees shall deliver to Agent a statement showing in detail the tonnage and vanadium pentoxide content of ore treated hereunder during such period, the weighted average grade thereof, the vanadium pentoxide produced and delivered, and the total treatment charge in accordance with the foregoing. After verification of such statement, Agent shall promptly pay to

Plaintiffs' Exhibit No. 74—(Continued)

Lessees the total treatment charges set forth therein.

* * * * *

13. Standard Provisions. The parties agree that the provisions set forth in Exhibit B attached hereto are made a part of this Contract with the same force and effect as if fully set forth herein; Lessees being referred to in said Exhibit B as "Contractor" and Agent being referred to therein as "Metals Reserve".

In Witness Whereof, the parties hereto have caused this Agreement to be executed in triplicate in their names as of the day and year first above written.

Executed in Triplicate.

UNITED STATES VANADIUM CORPORATION
as Agent for Metals Reserve Company,
By

/s/ J. R. VAN FLEET,
Vice President.

FRANK NISLEY AND HAYS C. WILSON, a
partnership doing business as NISLEY &
WILSON, By

/s/ FRANK NISLEY JR.,
General Partner,
/s/ HAYS C. WILSON,
General Partner.

* * * * *



PLAINTIFFS' EXHIBIT No. 79

1165

DATE OF VANA		DATE OF SALE		NAME OF CUSTOMER	
DATE	AMOUNT	ITEM	QUANTITY	PRICE	NAME
2/1/43	7140.714	Vanadic Acid	1.10	7954.79	Allegheny Ludlum Steel Corporation
10/25/40	718.8	Ferro Vanadium	2.70	2021.76	Allegheny Steel Corporation
11/9/40	1287.08	" "	2.70	3480.53	" " " " "
12/6/40	1684.03	" "	2.70	4546.88	" " " " "
12/21/40	927.63	" "	2.70	2504.60	" " " " "
12/21/40	4642.46	" "	2.70	12534.64	" " " " "
1/4/41	708.44	" "	2.70	1912.79	" " " " "
2/1/41	1203.36	" "	2.72	3273.14	" " " " "
2/13/41	2802.96	" "	2.72	7624.05	" " " " "
3/11/41	1003.73	" "	2.75	2760.26	" " " " "
4/15/41	1000.49	" "	2.75	2751.35	" " " " "
5/21/41	1095.9	" "	2.75	3013.73	" " " " "
5/29/41	903.12	" "	2.75	2483.58	" " " " "
6/30/41	1000.54	" "	2.75	2751.49	" " " " "
7/11/41	718.5	" "	2.75	1975.88	" " " " "
8/16/41	1160.76	" "	2.75	2210.44	" " " " "
8/30/41	723.8	" "	2.75	1990.45	" " " " "
9/25/41	309.24	" "	2.75	1070.41	" " " " "
12/5/41	2814.88	" "	2.75	5540.92	" " " " "
3/12/42	1000.	Van-Br	2.30	2300.00	" " " " "
4/17/42	1000.	"	2.30	2300.00	" " " " "
4/22/42	500.	"	2.30	1150.00	" " " " "
?	500.	"			" " " " "

JUN 10 1956

DATE	QUANTITY Y201	QUANTITY V	MATERIAL	PRICE Y201	PRICE V	AMOUNT	NAME OF CUSTOMER
2/7/40		767.8	Purro Vanadium	2.75		2111.45	Henry Dieston & Sons, Inc.
11/29/40		752.9	" "	2.75		2068.83	" " " " " "
12/13/40		719.9	" "	2.75		1978.08	" " " " " "
2/1/41		767.2	" "	2.75		2111.73	" " " " " "
3/7/41		753.6	" "	2.75		2072.40	" " " " " "
3/25/41		763.4	" "	2.75		2099.35	" " " " " "
3/31/41		756.1	" "	2.75		2079.28	" " " " " "
5/20/41		742.6	" "	2.75		2042.15	" " " " " "
6/19/41		762.4	" "	2.75		2096.60	" " " " " "
7/31/41		718.5	" "	2.75		1975.88	" " " " " "
8/31/41		731.1	" "	2.75		2010.53	" " " " " "
9/25/41		707.7	" "	2.75		1946.18	" " " " " "
4/14/41		152.34	" "	2.80		426.55	Wesley Steel Company
5/12/41		900.536	" "	2.80		1401.50	" " " " " "
6/14/41		2000.4	" "	2.80		5601.05	" " " " " "
12/19/40		734.9	" "	2.75		2020.98	Electro Electric Steel Company
2/4/41		3760.5	" "	2.75		10341.38	" " " " " "
2/13/41		1323.62	" "	2.75		3639.96	" " " " " "
3/12/41		4695.26	" "	2.75		12911.97	" " " " " "
4/15/41		1297.58	" "	2.70		3503.47	" " " " " "
3/31/41		304.74	" "	2.75		838.04	" " " " " "
3/31/41		5702.45	" "	2.75		15581.53	" " " " " "

DATE	QUANTITY Y201	QUANTITY Y	MATERIAL	PRICE Y201	PRICE Y	AMOUNT	NAME OF CUSTOMER				
4/15/41		141.44	Purro Vanadium		2.75	444.57	Laporte Electric Steel Company				
5/1/41		7829.20	" "		2.75	8302.80	"	"	"	"	"
5/29/41		1419.14	" "		2.75	5002.64	"	"	"	"	"
5/29/41		2180.18	" "		2.70	5886.49	"	"	"	"	"
6/23/41		2833.28	" "		2.70	7649.86	"	"	"	"	"
7/3/41		1885.73	" "		2.75	5185.76	"	"	"	"	"
7/31/41		2874	" "		2.75	7903.50	"	"	"	"	"
8/14/41		4094.16	" "		2.75	11258.94	"	"	"	"	"
8/30/41		1146.11	" "		2.70	3094.30	"	"	"	"	"
8/30/41		645.3	" "		2.75	1774.58	"	"	"	"	"
9/25/41		4193.12	" "		2.75	11531.08	"	"	"	"	"
10/9/41		161.58	" "		2.75	444.35	"	"	"	"	"
10/9/41		595.955	" "		2.70	1501.08	"	"	"	"	"
11/5/41		4444.045	" "		2.70	11978.92	"	"	"	"	"
11/5/41		17.475	" "		2.75	48.06	"	"	"	"	"
7/11/42		518	Van-Bu		2.35	1198.90	"	"	"	"	"
2/2/42		4940.33	Purro Vanadium		2.75	13585.91	"	"	"	"	"
2/25/42		590.56	" "		2.80	1653.57	"	"	"	"	"
2/25/42		42.195	" "		2.75	116.04	"	"	"	"	"
2/26/42		649.412	" "		2.80	1818.35	"	"	"	"	"
2/27/42		640.89	" "		2.80	1794.49	"	"	"	"	"

DATE	QUANTITY V205	QUANTITY V	MATERIAL	PRICE V205	PRICE V	AMOUNT	NAME OF CUSTOMER
3/31/42		4180.54	Ferro Vanadium		2.80	11705.51	Centrobe Electric Steel Company
3/20/42		820.73	" "		2.80	2298.04	" " " " "
3/20/42		491.93	" "		2.80	1377.40	" " " " "
3/17/42		1307.30	" "		2.80	3660.44	" " " " "
3/13/42		1317.21	" "		2.80	3688.19	" " " " "
3/10/42		1205.91	" "		2.80	3376.55	" " " " "
3/4/42		497.652	" "		2.80	1393.43	" " " " "
3/4/42		114.642	" "		2.80	321.00	" " " " "
3/4/42		614.476	" "		2.80	1720.13	" " " " "
3/4/42		609.10	" "		2.80	1705.48	" " " " "
3/3/42		656.48	" "		2.80	1838.14	" " " " "
3/2/42		622.44	" "		2.80	1742.83	" " " " "
4/22/42		9634.5	" "		2.80	16340.05	" " " " "
5/29/43		2000.42	" "		2.80	5601.18	" " " " "
6/14/43		2000.4	" "		2.80	5601.12	" " " " "
11/18/43		4000.7	" "		2.80	11201.96	" " " " "
1/28/44		1470.52	" "		2.80	4117.46	" " " " "
1/1/43	7149.724		Vanadic Acid	1.10		7854.79	Allegheny Indian Steel Corporation
5/20/41		748.6	Ferro Vanadium		2.80	2096.08	Quincy Steel Works
6/7/43		70.3	" "		2.80	196.84	Republic Steel Corporation
6/7/43		58	Vanadium Silicide		2.80	162.40	" " "
10/8/40		362.10	Ferro Vanadium		2.75	995.78	Simonds Saw and Steel Company

DATE	QUANTITY LBS	QUANTITY V	MATERIAL	PRICE Y205	PRICE V	AMOUNT	NAME OF CUSTOMER
11/27/40		7.678	Ferro Vanadium		2.70	20.74	*Universal Cyclops Steel Corporation
12/3/40		73.86	" "		2.70	199.42	*Valley Steel Casting Company
2/17/41		77.86	" "		2.75	214.12	" " " " "
3/21/41		78.27	" "		2.75	215.24	" " " " "
4/7/41		77.39	" "		2.80	216.69	" " " " "
4/28/41		154.78	" "		2.80	433.38	" " " " "
10/23/40		38.56	" "		2.70	203.22	*Valcan Crucible Steel Company
3/11/41		500.87	" "		2.75	1377.39	" " " " "
3/11/41		502.60	" "		2.75	1382.15	" " " " "
4/18/41		5.8	Vanadium Silicide		2.90	16.82	*Mechanite Metal Corporation
3/20/41		29	" "		2.90	84.10	East Akron Casting Company
3/2/42		2000	Van-Ex		2.40	4800.00	*Atlas Steels Limited
3/13/42		3000	"		2.40	7200.00	" " " "
3/27/42		5000	"		2.40	12000.00	" " " "
4/27/42 <i>In 159</i>		5000	"		2.40	12000.00	" " " "
5/14/42		4200	"		2.40	10080.00	" " " "
5/21/42		2925	"		2.40	7020.00	" " " "
6/4/42		2875	"		2.40	6900.00	" " " "
6/17/42		4665	"		2.40	11196.00	" " " "
7/3/42		5335	"		2.40	12804.00	" " " "
7/11/42		4170	"		2.40	10008.00	" " " "
8/17/42		3000	"		2.40	7200.00	" " " "

Plaintiffs' Exhibit No. 79--(Continued)

DATE	QUANTITY 27	QUANTITY V	MATERIAL	PRICE V205	PRICE V	AMOUNT	RANK OF CUSTOMER
8/23/42		6615	Van-Me		2.40	15876.00 ^	Atlas Steels Limited
9/27/42		2160	"		2.40	5184.00 ^	" " "
9/26/42		1920	"		2.40	4608.00 ^	" " "
10/12/42		3000	"		2.40	7200.00 ^	" " "
11/11/42		2160	"		2.40	5184.00 ^	" " "
12/15/42		2380	"		2.40	5472.00 ^	" " "
12/17/42		2640	"		2.40	6336.00 ^	" " "
1/1/43		240	"		2.40	576.00 ^	" " "
5/29/44		1110	"		2.25	2497.50 ^	" " "

* All items marked * denote that the material, although sold by Continental Ore Company, was billed by the Apex Smelting Company, Chicago.

PLAINTIFFS' EXHIBIT No. 110

This Agreement made the 4th day of January, 1944 by and between Imperial Paper and Color Corporation, a domestic corporation having its principal place of business in the Town of Queensbury, Warren County, New York, (hereinafter called Imperial) party of the first part, and Henry J. Leir, E. D. Leir and L. Schloss, co-partners doing business under the style and firm name of Continental Ore Company, 500 Fifth Avenue, New York, N. Y. (hereinafter called the Ore Company) party of the second part, Witnesseth:

Whereas Imperial is or may be engaged in the manufacture of vanadium products as a principal, and desires to arrange for the cooperation of the Ore Company as selling agent, and

Whereas the Ore Company is willing to accept such undertaking,

Now Therefore, in consideration of the premises and the mutual covenants contained herein, the parties agree as follows, to wit:

1. The Ore Company agrees to cooperate with Imperial in connection with the manufacture of vanadium products including but not limited to vanadium oxide and ferro vanadium, and to put at its disposal all technical and engineering information and data in the possession of the Ore Company, and to consult with Imperial with reference to the availability of raw material, the metallurgical or chemical processes to be employed, and as to the extent of the market for the finished products. The Ore Company further agrees that it will re-

Plaintiffs' Exhibit No. 110—(Continued)

port to Imperial all changes in market conditions and the development of new sources of supply for raw material etc. both in the domestic and foreign markets.

2. Imperial hereby appoints the Ore Company its exclusive sales agent for all the products mentioned above and produced by it during the term of this contract and authorizes the Ore Company to sell the entire output of these materials, subject to the then existing governmental regulations, at the market price as fixed by Imperial. If the Ore Company shall procure an order from a customer whose credit standing is not satisfactory to Imperial, Imperial shall give notice that it does not approve the credit and Imperial shall not be obligated to accept and ship any such order, unless the Ore Company shall guarantee the payment for any material shipped upon such order. All sales will be made in the name of Imperial and will be invoiced by Imperial direct to the various customers to whom shipment is made. Copies of all orders and important correspondence passing between the Ore Company and the customers will be supplied promptly to Imperial.

3. It is agreed that in consideration of the information hereto supplied and hereafter to be supplied and of the services heretofore rendered and hereafter to be rendered, that Imperial will pay to the Ore Company a sales commission of two and one-half ($2\frac{1}{2}\%$) percent on the net price of the products, after all discounts, sold to domestic cus-

Plaintiffs' Exhibit No. 110—(Continued)

tomers and five (5%) percent on the net price of the product, after all discounts, sold to foreign consumers. The net sales price in each case shall be the price F. O. B. Glens Falls, New York, or such other point of production as shall be selected by Imperial. On sales to foreign consumers, the sales agent shall not be entitled to receive the increase of two and one-half (2½%) percent commission over domestic sales unless the net sales price F. O. B. point of production after all discounts shall exceed by at least two and one-half (2½%) percent the then current price to domestic consumers. Such commissions will be paid monthly on or before the 10th day of the month following the month in which payment for shipments shall have been made.

4. Imperial agrees to install the equipment necessary to manufacture the vanadium products above mentioned, and will use its best efforts to make the business of manufacturing and selling such products a success.

5. It is agreed that the term of this contract shall commence on the 31st day of December, 1943 and continue for a period of five (5) years thereafter.

6. Imperial covenants and agrees that all conditions being equal, that Imperial will give to the Ore Company the first opportunity of supplying Imperial's total requirements for vanadium bearing raw material including flue dust, vanadium ores or concentrates.

Plaintiffs' Exhibit No. 110—(Continued)

7. If at any time during the term of this contract Imperial accumulates a quantity of any product equal to a four (4) months production by Imperial and which the Ore Company has been unable to sell, Imperial may, without payment of any commission to the Ore Company, sell such product, so accumulated, directly or through agents, but not for a price less nor upon terms less favorable than as the Ore Company shall have submitted as bids from its customers.

8. It is agreed that this contract is contingent upon the decision of Imperial to manufacture vanadium from other raw materials than chromite and/or to make ferro vanadium. If Imperial decides not to enter this new field of production, then in that event this agreement is null and void.

In Witness Whereof Imperial has caused these presents to be executed by its officers thereunto duly authorized and the Ore Company has caused the same to be executed by a general partner.

IMPERIAL PAPER AND COLOR CORPORATION,

/s/ By K. R. McBRIDE,
President.

HENRY J. LEIR, E. D. LEIR, L. SCHLOSS, co-
partners carrying on business under the firm
name and style of CONTINENTAL ORE
COMPANY.

/s/ By HENRY J. LEIR,
A General Manager.

PLAINTIFFS' EXHIBIT No. 115

Imperial Paper and Color Corporation
Pigment Color Division
Glens Falls, N. Y.

Mr. M. Wolf, Manager,
Continental Ore Company,

April 9, 1945

500 Fifth Avenue, New York 18, N. Y.

Dear Mr. Wolf:

Replying to your letter of April 6th regarding Peruvian Vanadium Ashes, we are writing to advise you that we did not find these worked too well in our process, though we believe that if we spent enough time on the project that we possibly could have made some changes that would have resulted in higher yields. However, we do not feel justified under present conditions in spending the time and money which would be involved to eliminate all the possibilities in these types of samples, because until there is a source of supply uncovered that represents enough material to operate a plant at a reasonable volume, we do not feel that we can afford to build a plant.

The viewpoint we have now is that this whole production of Vanadium Oxide is dependent largely upon having a satisfactory source of supply of raw material in sufficient volume.

Yours very truly,

IMPERIAL PAPER AND COLOR
CORPORATION.

s/ A. F. BROWN.

General Manager, Pigment Color

AFB:AEF

Division.

2180* *Continental Ore Company, et al., vs.*

Plaintiffs' Exhibit No. 115—(Continued)

Imperial Paper and Color Corporation

Pigment Color Division

Glens Falls, N. Y.

April 13, 1945

Mr. M. Wolf,
Continental Ore Company,
500 Fifth Avenue,
New York 18, N. Y.

Dear Mr. Wolf:

Replying to your letter of April 12th regarding the Peruvian Vanadium Ashes, we wish to advise that our analysis on the material only indicated 13.77% V_2O_5 rather than the figure shown in your letter. We did not make any analysis for nickel.

So far as price is concerned, we are not accustomed to making bids for material but rather our way of doing business is to expect the company having the material to offer to name the price at which they are willing to sell, and then if this price is of interest we go into the matter further. We did enough work on these Peruvian Ashes to know that the processing cost per pound of V_2O_5 obtained would be considerably higher on these ashes than it would be on the Otavi Ore, but exactly how much more, we are not prepared to state, because we did not feel justified in going to the expense of finding this out, as this would involve considerable research. Assuming that the price was of interest, 30 tons a month, while it is an appreciable quantity, would still not be enough raw material to justify the erec-

Plaintiffs' Exhibit No. 115—(Continued)

tion of a plant, and it still seems to us that the fundamental problem is to find a reliable source of V_2O_5 in sufficient quantities to justify the erection of a plant, the price of the material to be such that we can afford to process it.

Yours very truly,

**IMPERIAL PAPER AND COLOR
CORPORATION,**

/s/ **A. F. BROWN,**

General Manager, Pigment Color
Division.

AFB: AEG

Imperial Paper and Color Corporation
Pigment Color Division
Glens Falls, N. Y.

May 11, 1945

Continental Ore Company,
500 Fifth Avenue,
New York 18, N. Y.

Gentlemen:

Referring to our conversation yesterday regarding the feasibility of us making Ferro Vanadium at a satisfactory cost from purchased V_2O_5 , we would like to explore this matter, using material that you feel would be entirely representative of what we could regularly buy.

We are writing, therefore, to request that you purchase for us 200 pounds of fused V_2O_5 that will

2182 *Continental Ore Company, et al., vs.*

Plaintiffs' Exhibit No. 115—(Continued)

be absolutely typical of what we can obtain in larger quantities, if our experiments look interesting, shipping this to us as promptly as possible by freight. It is our understanding that the market price of this material will be \$1.10 per pound of V_2O_5 contained, and we, of course, desire to work with material that represents the same kind and approximate percentages of impurities that we would encounter in later shipments.

After we have done some work on this material, we may wish to avail ourselves of your kind offer to have the individual from Apex who has made Ferro Vanadium visit us as you suggested.

Yours very truly,

IMPERIAL PAPER AND COLOR
CORPORATION,

/s/ A. F. BROWN,

General Manager, Pigment Color
Division.

AFB:AEG

PLAINTIFFS' EXHIBIT No. 117

September 4, 1940

Apex Smelting Company
2537 West Taylor Street
Chicago, Illinois
Gentlemen:

re: Ferro Alloys

We received your letter of September 3d and we

Plaintiffs' Exhibit No. 117—(Continued)

ourselves also prefer to come to a quick understanding.

It is obvious that you must have full control of the business (sales and purchases) but, on the other hand, we do not want to be eliminated after we have established some new connections through our own efforts which entailed considerable expenditure of time and money on our part. This remark refers to our relations with Blanding which you certainly want to respect.

If you can assure us that you will conduct all negotiations pertaining to purchases from them through us (and such assurance must apply to all new sources of supply of raw materials which we may discover in the future), we, in turn, will agree to give you all these materials without any profit for ourselves, wherever we are the sellers of your finished products. In cases where you are the direct seller, we accept your proposition to make special arrangements at the proper time regarding our compensation for the purchasing.

In turn, we would definitely agree to the following:

1. You keep Indiana, Illinois, Wisconsin and California as your own sales territory
2. We are to deal with the rest of the country on the basis of a commission of 2½% on the net price, fob Chicago
3. Mr. Leir relinquishes the bonus of 10%
4. The above arrangements will be in effect for

Plaintiffs' Exhibit No. 117—(Continued)

all shipments to be made until the end of next year,
December 31, 1941

5. Both parties will keep each other informed currently about all market conditions and the results of contacts with customers, even if there are no actual sales.

In Paragraph #4, we have put "end of next year" because we cannot avoid making contracts for the entire year 1941. However, if you prefer to replace "shipments until the end of next year" by the term "sales until September 1941," we would quite agree.

We hope this reply satisfies you in every respect.

Very truly yours,

CONTINENTAL ORE
CORPORATION,

.....
President.

Henry John Leir
r

[Letterhead of Apex Smelting Co.]
2537 W. Taylor Street, Chicago, Ill.
Air Mail

Sept. 9, 1940

Continental Ore Corporation
500 - 5th Ave.
New York, N. Y.

Attention: Mr. Henry John Leir

Gentlemen:

We have your letter of September 4, and we wish to say that we not only agree, but we expect you

Plaintiffs' Exhibit No. 117—(Continued)

will purchase the material subject to our approval.

We also accept all five provisions designated as numbers 1, 2, 3, 4, and 5.

We therefore suggest that Mr. Leir send us his agreement, in which he relinquishes the 10%.

Yours very truly,

APEX SMELTING CO.,
/s/ L. LIPPA,
L. Lippa.

LL:AM

Henry John Leir
500 Fifth Avenue, New York City
September 11, 1940

Apex Smelting Company,
2537 West Taylor Street,
Chicago, Illinois

Re: Ferro Alloys

Gentlemen:

I take pleasure in referring to the Agreement, which has been concluded between you and the Continental Ore Corporation according to exchange of letters under date of Sept. 4/9, 1940.

I confirm herewith that I relinquish the ten percent (10%) bonus, which has been reserved for me personally by Agreement of July 14, 1938 for such time as your above Agreement with the Continental Ore Corporation is effective.

Yours very truly,

.....
Henry John Leir:k

Plaintiffs' Exhibit No. 117—(Continued)

[Letterhead of Apex Smelting Co.]

2537 W. Taylor Street, Chicago, Ill.

May 24, 1941

Mr. Henry J. Leir
c/o Continental Ore Corp.
500 Fifth Avenue
New York City

Dear Mr. Leir:

With reference to our contract dated July 1, 1938, made with the Societe d'Electro-Chimie de Brignoud, we are enclosing two copies of an agreement with the Continental Ore Corporation making them the exclusive sales agent* for our Thermit Department, in consideration for which they agree to reduce the portion of the royalty due them as owner of one-half of the royalty payable to the Societe under the terms of the above contract to $8\frac{1}{3}\%$ of the profits of the Thermit Department.

Our attorneys advise us that in their opinion the power of attorney granted you by the Societe gives you power only to collect the monies due the Societe on the contract, and does not grant you the power to alter the contract; therefore, the enclosed agreement was drawn in a form which covers the points in your memorandum, giving Apex two-thirds of the profits and the Societe and the Continental Ore Corp., together, one-third. However, any payment of royalties will be made as follows: $8\frac{1}{3}\%$ to the

* Crayon Underscore.

Plaintiffs' Exhibit No. 117—(Continued)

Continental Ore Corporation, and 25% to yourself, personally, as attorney for the Societe.

We trust that the enclosed contract is satisfactory, and would appreciate your returning a signed copy for our files.

Very truly yours,

APEX SMELTING CO.,
/s/ WILLIAM R. BAYER,
William R. Bayer.

WRB:JB

Enc.

Airmail

This Agreement made and entered into this day of May, 1941, by and between Apex Smelting Company, an Illinois corporation (hereinafter referred to as "Apex"), and Continental Ore Corporation, a New York corporation (hereinafter referred to as "Continental").

Witnesseth:

Whereas, Apex heretofore entered into a certain contract, dated July 1, 1938, with Societe d'Electro-Chimie de Brignoud, a corporation of France (hereinafter referred to as the "Society"), a copy of which, marked Exhibit A, is attached hereto and hereby made a part hereof; and

Whereas, Continental is now the owner of one-half of the royalty payable to the Society under the terms of said contract;

Now, Therefore, it is mutually agreed as follows:

Plaintiffs' Exhibit No. 117—(Continued)

1. Continental is hereby appointed as the exclusive sales agent for the products of the Thermit Department of Apex throughout the United States (except the States of Indiana, Illinois, Wisconsin and California) and its possessions and all foreign countries during the life of this agreement. Apex agrees to pay to Continental a commission equal to two and one-half per cent ($2\frac{1}{2}\%$) of the net selling price, f.o.b. Chicago, Illinois, (less returns and allowances) of all products of the Thermit Department of Apex sold in the aforesaid territory during the life of this agreement. Apex shall, from time to time, fix the sales price of said products. All orders shall be subject to the written approval of Apex which may refuse to accept any order with or without cause. Commissions due hereunder shall be paid in monthly installments on or before the tenth day of the succeeding month.

2. Continental agrees to use its best efforts to promote the sale of products of the Thermit Department of Apex within the aforesaid territory.

3. Continental agrees to furnish to Apex, at Continental's cost, all raw material (with the exception of such material as Apex may purchase) required in the operation of the Thermit Department, all purchases, however, to be subject to the written approval of Apex.

4. From and after the date hereof, the royalty payable by Apex under the attached contract shall

Plaintiffs' Exhibit No. 117—(Continued)

be reduced from fifty per cent (50%) to thirty-three and one-third per cent ($33\frac{1}{3}\%$) of the net receipts, if any, as defined in said contract, of said Thermit Department, payable as follows: twenty-five per cent (25%) of said net receipts to the Society and eight and one-third per cent ($8\frac{1}{3}\%$) of said net receipts to Continental.

5. This agreement shall continue in full force and effect until the termination of the attached contract. This agreement shall be binding upon and inure to the benefit of the respective successors and assigns of the parties hereto.

In Witness Whereof, the parties have caused this agreement to be duly executed the day and year first above written.

APEX SMELTING COMPANY,

/s/ By W. A. SINGER,
President.

Attest:

/s/ LOUIS LIPPA,
Secretary.

CONTINENTAL ORE
CORPORATION,

By
President.

Attest:

.....
Secretary.

Plaintiffs' Exhibit No. 117—(Continued)

Exhibit "A"

This Agreement, made and entered into this 1st day of July, 1938, by and between Apex Smelting Company, an Illinois corporation (hereinafter referred to as the "Company"), and Societe D'Electro-Chimie de Brignoud, a corporation of France (hereinafter referred to as the "Society"),

Witnesseth:

Whereas, the Company is in the business of producing aluminum and zinc base and other non-ferrous alloys; and

Whereas, the Society represents that it owns and controls certain secret processes for the production of a complete line of ferro-alloys made by aluminothermit process, including, without limiting the foregoing, ferro titanium, ferro tungsten, ferro vanadium, ferro chromium, chromium metal, manganese metal and welding powders, for the production of aluminothermit stainless steel, and other alloying elements used in the manufacture of steel and iron (hereinafter referred to as the "Secret Processes"), but not including aluminum, zinc and copper magnesium and other products manufactured by the Company in the past; and

Whereas, the Company desires to acquire the Secret Processes and to create and operate a separate department to employ the same;

Now, Therefore, in consideration of the premises

Plaintiffs' Exhibit No. 117—(Continued)

and the mutual agreements herein contained, it is covenanted and agreed as follows:

1. The Society hereby sells, transfers and assigns the Secret Processes, all uses thereof, all inventions and discoveries included therein, all patents that may issue thereon, and all of its right, title and interest therein, throughout the United States and the territories thereof and the Dominion of Canada, to the Company and agrees to disclose the same to such person or persons as the Company may in writing designate. The Society further agrees to disclose to such person or persons as the Company may in writing designate and to transfer and assign to the Company all of its right, title and interest, throughout the United States and the territories thereof and the Dominion of Canada, in and to any and all improvements on the Secret Processes, or any one or more of them, and in and to any and all inventions, discoveries, processes and formulae useful or adaptable to the production of thermit process metals, or alumino-thermit stainless steel, or other steel alloying elements (other than the products heretofore manufactured by the Company), which, during the period of this agreement, the Society may make, discover or conceive. The Society further agrees, without charge to the Company but at the Company's expense, to execute, acknowledge and deliver all such further instruments, including applications for United States and Canadian patents and assignments of patents, and such assign-

Plaintiffs' Exhibit No. 117—(Continued)

ments or authorizations of applications for patents, as may be necessary to obtain patents for such inventions in the United States and Canada, and any and all reissues and extensions thereof, and to transfer title thereto and to vest the entire right, title and interest in any and all inventions, improvements, applications and patents, as aforesaid, in the Company. The Society further agrees to assist to the fullest extent of its ability, but not at its expense, the prosecution or defense of all interferences or court proceedings involving said inventions, as may reasonably be requested or demanded by the Company.

2. If, within 120 days after a full disclosure of the Secret Processes to the Company in manner aforesaid, the Company shall be advised by competent patent counsel (who may be counsel for the Company) that the Secret Processes, or any one or more of them, infringe or interfere with any claim included in outstanding Letters Patent of the United States, then the Company shall have the right, at its election, to terminate and cancel this agreement by notice in writing given to the Society within thirty days after the receipt of such advice. In the event of any cancellation pursuant hereto, the Company shall forthwith reassign and retransfer to the Society all of its right, title and interest in and to the Secret Processes, and thereupon this agreement shall be of no further force or effect.

3. If this agreement be not cancelled as herein-

Plaintiffs' Exhibit No. 117—(Continued)

before provided, then the Company agrees to establish and equip, in such manner as it deems proper, a separate department of its business to be known as the Thermit Department. The Thermit Department shall be devoted exclusively to the production and sale of a complete line of thermit process metals, alumino-thermit stainless steel and other non-ferrous metals for steel and iron alloying (but not including products heretofore manufactured by the Company) and to trading in minerals and ores necessary to the aforesaid production. The Company further agrees to operate the Thermit Department throughout the term of this agreement; provided, however, that if any person, firm or corporation shall claim that the Secret Processes, or any one or more of them, infringe or interfere with any United States or Canadian patent or patent application or any prior invention, then the Company may, in whole or in part, suspend the operation of the Thermit Department until the validity or invalidity of such claim shall be determined or established by a court of competent jurisdiction.

4. The Company hereby agrees to pay to the Society a royalty equal to fifty per centum (50%) of the net receipts, if any, as hereinafter defined, received by the Company from its operation of the Thermit Department during the term of this agreement. All royalties hereunder shall be paid in annual installments within 45 days after the close of each calendar year. All payments to the Society

Plaintiffs' Exhibit No. 117—(Continued)

hereunder shall be made in lawful money of the United States, shall be remitted to it by Chicago or New York draft, and shall be subject to all applicable laws of the United States or the State of Illinois relating to the withholding of taxes at the source.

5. The term "net receipts" as used herein shall, for all purposes of this agreement (but for no other purpose), mean the amount which shall be ascertained by deducting from the gross revenues and income of the Thermit Department during each calendar year, the following:

(a) All direct charges against the Thermit Department for such calendar year, including, without limiting the foregoing, (1) the cost of raw materials and fluxes, (2) the cost of direct labor, (3) the cost of fuel and power, (4) the cost of compensation insurance, (5) the cost of packing material, (6) the cost of publicity advertising products of the Thermit Department exclusively, (7) the cost of freight and drayage, (8) the salary or compensation of the Production Consultant of the Thermit Department, (9) rental on the space occupied by the Thermit Department at the rate of thirty cents (30c) per square foot, (10) depreciation on equipment at the rate of seven and sixty-nine hundredths per centum (7.69%), per year, (11) losses in the collection of accounts receivable, (12) inventory losses, and (13) all direct taxes such as sales, manufacturer's, license and social security taxes. All

Plaintiffs' Exhibit No. 117—(Continued)

aluminum metal required by the Thermit Department shall be furnished by the Company and charged to the Thermit Department at its cost to the Company plus one-half cent ($\frac{1}{2}c$) per pound.

(b) An amount equal to that proportion of the indirect expenses of the Company for such calendar year which the sales of the Thermit Department bear to the total sales of the Company during such calendar year. Indirect expenses shall include sales expense, administration expense, such manufacturing expenses as are not included in the direct charges, income and property taxes and such other taxes as are not included in the direct charges.

(c) All net losses of the Thermit Department for prior calendar years which have not been charged against the net receipts of the Thermit Department in subsequent years.

The net receipts of the Thermit Department shall at the end of each calendar year be determined by certified public accountants, to be employed by the Company, in accordance with the foregoing provisions of this Paragraph and, to the extent only that the disposition of any item is not herein specifically directed, in accordance with standard accounting practice. If said certified public accountants shall be of the opinion that the foregoing allocation of indirect expenses of the Company does not in fact correctly reflect the net receipts of the Thermit Department, said accountants shall recommend to

Plaintiffs' Exhibit No. 117—(Continued)

the parties hereto a more accurate method of allocating the same.

6. The Company shall keep true and accurate records and accounts of all operations of the Thermit Department and of all sales, administration and manufacturing expenses and taxes of the Company, which records and accounts shall be open during business hours to the inspection of the Society, or its nominee, with the right to make copies.

7. The Society hereby agrees that it will not, directly or indirectly, engage in the business of producing or selling thermit process metals or alumino-thermit stainless steel or other non-ferrous metals employed in alloying steel or iron within the United States or any territory thereof or within the Dominion of Canada, during the term of this agreement, nor will it permit any corporation or association affiliated with it so to do. The Company agrees that it will not, directly or indirectly, engage in the business of producing or selling thermit process metals or alumino-thermit stainless steel or other non-ferrous metals employed in alloying steel or iron (but not including products heretofore manufactured by the Company) within the United States or any territory thereof or within the Dominion of Canada, during the term of this agreement, except by means of the Thermit Department, nor will it permit any corporation or association affiliated with it so to do.

8. The Society agrees that it will, at all times

Plaintiffs' Exhibit No. 117—(Continued)

during the installation and completion of all equipment required in the Thermit Department and until satisfactory production has been obtained in the Thermit Department, furnish to the Company the services of a skilled technician, without cost to the Company other than the payment of his necessary travelling expenses.

9. The Society agrees that it will not do or omit, or suffer to be done or omitted, any act or thing whereby the Secret Processes, or any one or more of them, may become known to any unauthorized person.

10. All notices shall be given by registered mail, postage prepaid. All notices to the Company shall be addressed to the Company at 2554 Fillmore Street, Chicago, Illinois, or to such other address as the Company shall have previously designated in writing. All notices to the Society shall be addressed to the Society at 66, Rue de Miromesnil, Paris, France, or to such other address as the Society shall have designated in writing.

11. The term of this agreement shall commence at the date hereof and continue until (a) the expiration of fourteen (14) years from the date hereof, (b) the operation of the Thermit Department for two (2) successive calendar years without an average annual net profit of at least Seventy-five Hundred Dollars (\$7500.00), or (c) the issuance by a court of competent jurisdiction of an injunction

Plaintiffs' Exhibit No. 117—(Continued)

restraining the Company from using any one or more of the Secret Processes by reason of patent infringement, which ever shall happen the earliest.

12. This agreement shall be binding upon and inure to the benefit of the respective heirs, legal representatives, successors and assigns of the parties hereto, and shall be construed in accordance with the laws of the State of Illinois.

In Witness Whereof the parties hereto have caused these presents to be duly executed the day and year first above written.

APEX SMELTING COMPANY,

/s/ By W. A. SINGER,
President.

Attest:

/s/ LOUIS LIPPA,
Secretary.

[Seal] SOCIETE D'ELECTRO-CHIMIE
de BRIGNOUD,

/s/ By M. SPITZER,
Title L'Administrateur Directeur
General.

Know All Men By These Presents, that

Whereas, heretofore on the 1st day of July, 1938, Societe d'Electro-Chimie de Brignoud, a corporation organized and existing under and by virtue of the laws of the Republic of France, and the Apex

Plaintiffs' Exhibit No. 117—(Continued)

Smelting Company, a corporation organized and existing under and by virtue of the laws of the State of Illinois, entered into a contract wherein and whereby the Apex Smelting Company agreed to organize a Ferro Alloy Department in the Apex Smelting Company, and after the deduction of certain expenses as in said agreement more particularly provided, to divide the profits therefrom in such manner that one-half thereof would be paid to the Apex Smelting Company and one-half thereof would be paid to Societe d'Electro-Chimie de Brignoud, and

Whereas, by an instrument of April 26, 1939, a photostatic copy of which is annexed hereto, the Societe d'Electro-Chimie de Brignoud set over, transferred and assigned to Societe Anonyme des Minerais, a corporation organized and existing under and by virtue of the laws of the Dutchy of Luxemburg, an undivided half interest in any amounts due or payable to Societe d'Electro Chimie de Brignoud under and pursuant to said contract with the Apex Smelting Company, and

Whereas, Societe Anonyme des Minerais thereafter, to wit, on or about the 15th day of April, 1939, set over, transferred and assigned to Henry John Leir as trustee for a corporation to be organized, the interest so received by them from Societe d'Electro-Chimie de Brignoud, and

Whereas, Henry John Leir thereafter transferred

Plaintiffs' Exhibit No. 117—(Continued)

the interest so received by him as trustee to the Continental Ore Corporation, a New York Corporation, and

Whereas, Societe Anonyme des Minerais undertook to execute such instrument for the further assurance of the title of Henry John Leir or his assignee in and to said interest as Henry John Leir should request, and

Whereas, Henry John Leir has requested that a direct assignment for further assurance be executed by Societe Anonyme des Minerais to the Continental Ore Corporation.

Now, Therefore, in consideration of the premises and the sum of One (\$1.00) Dollar in hand paid by the Continental Ore Corporation, and of other good and valuable consideration, receipt whereof is hereby acknowledged, Societe Anonyme des Minerais hereby sets over, transfers and assigns to the Continental Ore Corporation an undivided twenty-five (25%) percent interest in the profits arising under the contract between the Apex Smelting Company and Societe d'Electro-Chimie de Brignoud, dated July 1, 1938, the same being an undivided one-half of the amount which the Societe d'Electro-Chimie de Brignoud was entitled to receive under the terms of said contract.

In Witness Whereof, Societe Anonyme des Minerais has caused these presents to be executed by

Plaintiffs' Exhibit No. 117—(Continued)

an administrateur and a Directeur acting on their behalf.

SOCIETE ANONYME DES
MINERAIS,

/s/ By LOUIS ACKERMANN,

Administrateur,

/s/ By (Illegible),

Directeur.

State of New York,
County of New York—ss.

On the 17th day of December, in the year 1940, before me personally came Louis Ackermann to me known, who, being by me duly sworn, did depose and say he resides in Park Crescent Hotel, New York City; that he is one of the administrateurs of the Societe Anonyme des Minerais, the corporation described in and which executed the above instrument, that the corporation has no seal; and that he signed his name thereto by order of the assemble generale of said corporation.

[Seal] SYLVEN SALTZER,

Notary Public Kings Co. Clk. No. 704, Reg. No.
2799, N. Y. Co-Clks. No. 2118, Reg. No. 281235.
Commission expires March 30, 1942.

No. 29008

PHEE'S 118

JUN 12 1958

Kishy

1149

Vanadio AcidNorth Continent Mines, Inc.Apex Smelting Co.

<u>1940</u>	<u>Lot</u>		<u>% V₂O₅</u>	<u>L V₂O₅</u>	<u>Price</u>	<u>\$</u>	
11-13	248	11,200	78.76%	8,813.24	1.10	9,694.56	1
11-28	249	11,200	78.79%	8,818.18	1.10	9,700.00	1
12-10	250	11,200	78.58%	8,793.89	1.10	9,673.28	1
<u>1941</u>							
1-25	251	4,993	77.95%	3,888.14	1.00	3,888.14	2
2-20	247	11,200	Mine 80.23	8,985.76	.98	8,806.05	2
2-24	252	11,200	80.03	8,945.43	.98	8,766.52	2
3-3	253	10,618	79.78	8,448.70	.98	8,279.73	2
5-6	254	10,400	81.45	8,458.58	.98	8,289.41	2
6-3	255	9,600	80.69	7,738.20	1.01	7,815.58	6
7-7	256	14,400	79.54	11,433.65	1.01	11,553.04	8
7-24	257	9,600	79.92	7,660.33	1.01	7,736.92	8
8-12	258	11,200	78.13	8,741.18	.98	8,566.36	9
8-30	259	10,400	78.95	8,200.14	.98	8,036.14	9
9-27	260	18,400	79.22	14,548.75	.98	14,257.78	1
10-26	261	16,000	79.20	12,633.98	1.01	12,760.32	2
11-29	262	14,200	80.52	11,418.94	1.05	4,989.89	2
12-27	263	16,000	77.70	12,419.57	1.05	13,040.55	2
		168,211		133,535.35		133,786.43	

Plaintiffs' Exhibit No. 118--(Continued)

<u>Vanadic Acid</u>			<u>North Continent Mines, Inc.</u>		<u>Apex Smelting Co.</u>	
<u>1942</u>	<u>Lot</u>		<u>\$ V₂O₅</u>	<u>£ V₂O₅</u>	<u>Price</u>	<u>\$</u>
1-24	264	11,200	79.13%	8,840.40	1.05	9,282.42 2/28
3-12	265	16,000	76.33%	12,198.30	1.05	12,808.21 3/28
3-28	266	11,200	77.47%	8,668.12	1.05	9,101.53 4/18
4-26	267	14,400	78.47%	11,282.42	1.08	12,185.01 5/28
5-23	268	7,200	78.35%	5,634.15	1.08	6,084.88 6/18
5-30	269	7,979	77.25%	6,163.78	1.08	6,656.88 7/18
6-18	270	7,200	74.33%	5,351.76	1.08	5,779.90 7/18
6-24	271	7,990	78.08%	6,328.59	1.08	6,737.68 7/18
Short	(277)			(223.51)		(241.39)

* Actual weight 7,713. as rec'd.

To: Continental Ore Corporation, New York

7-30	272	15,200	77.78%	11,815.47	1.10	12,997.01
8-24	273	4,933	79.31%	3,904.43	Montrose	4,294.84 9/18
Short	(19)			(15.04)		(16.54) 9/18
12-14	274	2,855	79.00%	2,253.78		2,479.16 1/18

1943

12-30	275	2,800	79.26%	2,216.11		2,437.72 1/18
2-2	276	7,700	77.39%	5,947.02	Cancelled	6,541.72 3/38
2-27	277	5,500	75.06%	2,620.00		2,882.00 3/28
3-20	278	7,000	74.83%	5,221.86		5,744.05 4/18
4-20	279	7,700	80.01%	6,152.77		6,768.05 5/18
				22,157.76		890.32 credit

Plaintiffs' Exhibit No. 118--(Continued)

1/24/41	11200	80.03	98	8766.52
2/24/41	11200	80.03	98	8766.52
1/25/41	4993	77.95	100	3888.14
12/10/40	11200	78.58	110	9673.28
11/28/40	11200	78.77	110	9700.00
11/13/40	11200	78.76	110	9691.53
5/13/40	3000	79.43	110	2621.19
5/23/40	3428.8	78.22	110	3441.68
4/17/40	3000	76.83	110	2535.39
2/28/40	3000	77.57	110	2559.81

Plaintiffs' Exhibit No. 118--(Continued)

Seller	Shipping Date	Net APER 0/0		PURCHASES	
		Weight	$\sqrt{205}$	Price/ft	Price
Ackerman	6/10/41	4218.5	85.2	1.02 (ch.)	3640.38
	5/10/41	3864.0	85.53	1.00 "	3291.94
Blanding	1/11/41	3940.0	88.23	101 "	3494.52
	12/19/40	3229.0	85.66	103. " (3% comm)	2835.26
	12/5/40	5015.0	83.48	103. " (3% comm)	4212.32
	11/18/40	7385 2485	83.01	103. "	5842.18
		3962	80.47	(3% comm)	(net after interest)
		7385	89.58		
	10/18/40	4782	85.	103 "	4086.62
	9/18/40	1830	86.18	(3%) 103. " (3% comm)	1624.00

Plaintiffs' Exhibit No. 118--(Continued)

<u>Seller</u>	<u>Shipping Date</u>	<u>Net Weight</u>	<u>¢/lb</u>	<u>Unit Price</u>	<u>Total Price</u>
Blanking	7/13/40	4489.0	85.92	103 3/4	3961.84
	8/19	5442	91.34	103 3/4	5115.75
	8/2	1007	90.5	103 3/4	932.10
Monticello					
V. Co (3) Hannes & Co	9/12/41	1177	83.41	102 1/2	973.47
Delauro & Co					
Bankers					
(F.A. S. & T. Co)	8/29/41	1008	90.65	102 "	908.03
Dave Creek, La					
Pay to acct of	5/11/41	871		100	733.37
	4/24/41	481	88.3	100	402.74
Wm G					
Merriman	4/1/41	3117	85.14	100	2443.99
	4/12/41	1624	84.8	100	1336.50

Plaintiffs' Exhibit No. 118--(Continued)

<u>Seller</u>	<u>Shipping Date</u>	<u>Net Weight</u>	<u>o/a Price</u>	<u>Unit Price</u>	<u>Total Price</u>
Morrison	3/17/41	2005	85.03	100	1652.8
Nesley	11/13/41	6550	85.95	103 1/2	5820.
Watson	12/18/41	5100	87.62	103 1/2	6001.
Subsequent shipments Can On					
Shalluck	6/27/42	7713	78.08	108 1/2	6496.
	6/18/42	7200	78.65	108 "	5779.
	5/30/42	7979	77.25	108	6656.
	5/23/42	7200	78.35	108	6084.8
	4/26/42	14400	78.47	108	12185.
	3/28/42	11210	77.47	105	9101.5

Plaintiffs' Exhibit No. 118--(Continued)

<u>Seller</u>	<u>Shipping Date</u>	<u>Net Weight</u>	<u>%</u>	<u>Unit Price</u>	<u>Total Price</u>
Hettuck	3/12/42	16000	76.33	105	12808
	1/24/42	11200	79.13	105	9282.42
	12/27/41	16000	77.70	105	13040.50
	11/28/41	14200	80.52	103	11761.51
	10/26/41	16000 ¹²¹³³	79.20	108	12760.3
	9/27/41	18400 ⁵³⁰⁷	79.22	98	14257.78
	8/30/41	10400	78.95	98	8036.14
	8/12/41	11200	78.13	98	8566.36
	7/24/41	9600 ⁷⁶⁴⁰	79.92	78	7736.92
	7/7/41	14000 ¹³⁴⁰	77.54	101	11553.04
	6/3/41	9600	80.69	101	7815.58
	5/6/41	10400	81.45	98	82489.41
	3/3/41	10618	79.78	98	8279.72

J. EX. NO. 34

Plaintiff's Exhibit No. 112--(Continued)

APEX PURCHASES V205

Seller	Shipping Date	Net Weight	% V205	Unit Price f.o.b.	Total Price
Ackerman	6/13/41	4218.5	86.2	\$1.02 Chicago	\$3640.38
"	5/10/41	3862.0	85.53	1.00 Chicago	3291.94
Blanding	1/11/41	3940.0	88.23	1.01 Chicago	3494.52
"	12/19/40	3229.0	85.66	1.03 Chicago*	2836.26
"	12/5/40	5015.0	83.48	1.03 Chicago*	4212.32**
"	11/18/40	(2455.0 (3962.0 (738.0	83.01 80.47 79.58	1.03 Chicago*	5842.18**
"	10/18/40	4792.0	85.00	1.03 Chicago*	4186.64
"	9/18/40	1830.0	86.13	1.03 Cortez*	1624.40
"	9/13/40	4489.0	85.92	1.03 Cortez*	3961.94
"	8/19/40	5442.0	91.34	Cortez	5115.78
"	8/2/40	1007.0	90.50	1.03 Chicago	932.16
Monticello***	9/12/41	1177.0	83.41	1.02 Chicago	973.40
"	8/29/41	1009.0	90.65	1.02 Chicago	908.93
"	6/8/41	871.0		1.00	733.37
"	4/24/41	491.0	88.3	1.00	412.76
Wm. G. Morrison	4/1/41	3117.0	85.14	1.00	2443.99****
"	4/12/41	1624.0	84.8	1.00	1336.60****
"	3/17/41	2006.0	85.03	1.00	1652.96
Wiseley & Wilson	11/13/41	6550.0	85.95	1.035 Gateway	5820.94
"	12/18/41	5100.0	87.62	1.035 Gateway	4801.90

(subsequent Wiseley & Wilson shipments to Continental Ore)

*5% commission

**Net after penalty

***J.J. Harris & Co., Dolores, Colorado, bankers; F.H. Sitt, Dove Creek, Colorado

payments to account of

****Long penalty

Shattuck and Sons, Inc. (1941-1942)

<u>Seller</u>	<u>Shipping Date</u>	<u>Net Weight</u>	<u>% V205</u>	<u>Unit Price f.o.b.</u>	<u>Total Price</u>
Shattuck	6/24/42	7713.0	78.08	\$1.08 Chicago	\$8448.21
"	6/18/42	7200.0	78.88	1.08 Chicago	5779.90
"	5/30/42	7979.0	77.25	1.08	8656.88
"	5/23/42	7200.0	78.35	1.08	8084.88
"	4/26/42	14400.0	78.47	1.08	12185.01
"	3/28/42	11200.0	77.47	1.05	9101.53
"	3/12/42	16000.0	78.33	1.05	12908.00
"	1/24/42	11200.0	79.13	1.05	9282.42
"	12/27/41	16000.0	77.70	1.05	13040.55
"	11/28/41	14200.0	80.52	1.03	11761.51
"	10/28/41	16000(12633 3367)	79.20	(1.01 .99)	12760.32
"	9/27/41	13400.0	79.22	.98	14257.73
"	8/30/41	10400.0	78.95	.98	8036.14
"	8/12/41	11200.0	78.13	.98	8566.36
"	7/24/41	9000(7660 1340)	79.97	(.93 1.01)	7736.92
"	7/1/41	14400	79.54	1.01	11553.04
"	6/3/41	9600	80.59	1.01	7815.58
"	5/6/41	10400	81.45	.98	8289.41
"	5/3/41	10618	79.78	.98	8279.73
"	2/24/41	11200	80.03	.98	9766.52
"	1/25/41	4993	77.93	1.00	3888.14
"	12/10/40	11200	78.58	1.10	9673.28
"	11/28/40	11200	78.79	1.10	9700.00

<u>Seller</u>	<u>Shipping Date</u>	<u>Net Weight</u>	<u>% V205</u>	<u>Unit Price f.o.b.</u>	<u>Total Price</u>
Shattuck	11/13/40	11800.0	78.78	\$1.10	\$9694.56
"	8/13/40	3000.0	79.43	1.10	2621.19
"	5/23/40	(5188.8)	78.22	1.10	3441.68

CONTINENTAL ORE CORPORATION AND CONTINENTAL ORE COMPANY

SALES OF VANADIUM *

	VANADIUM PENTOXIDEV 205,.....		FERRO VANADIUM,....	VAN EX,.....		VANADIUM SILICIDE	TOTALS,.....	
	LBS.	AMOUNT	LBS.	AMOUNT	LBS.	AMOUNT	LBS.	AMOUNT	LBS.	AMOUNT
June 13, 1939 to December 31, 1939,	48,059.74	\$ 59,223.77							48,059.74	\$ 59,223.77
1940,.....	38,317.49	51,800.96	15,648.50	\$ 45,183.86					53,965.99	96,984.82
1941,.....	8,495.11	9,634.03	70,845.76	193,820.87					79,340.87	203,454.90
1942,.....			27,838.87	78,269.25	71,555	\$171,166.50			99,393.87	249,435.75
1943,.....	7,140.71	7,854.79	10,572.76	29,603.72	6,480	15,810.00	58.00	\$162.40	24,261.47	53,430.91
1944,.....	1,724.55	1,167.92	1,470.52	4,117.46	5,650	8,806.25	34.80	100.92	8,879.67	14,192.55
1945,.....	4,219.72	2,945.01	6,422	11,071.95	1,705	3,506.35	2.00	6.00	12,348.72	17,529.31
1946,.....					100	240.00			100.00	240.00
1947,.....										
1948,.....										
1949,.....										
TOTAL (See Note 1),.....	107,957.12	\$132,626.48	132,798.51	\$362,067.11	85,490.00	\$199,529.10	94.80	\$269.32	326,340.33	\$694,492.01

* Includes U. S., Canada and Switzerland -
Sales to Switzerland FV-6513 lbs.
value \$22,797.90.

Note 1 - Materials, sold by Continental Ore Company
or Continental Ore Corporation, billed
by Apex Smelting Company, Chicago,.....

108,532.56 \$298,654.33 5,000 \$ 12,000.00

113,532.56 \$310,654.33

CONTINENTAL ORE CORPORATION AND CONTINENTAL ORE COMPANY

Plaintiffs' Exhibit No. 119--(Continued)

ANALYSIS OF C. O. C. BILLINGS OF VANADIUM

	..VANADIUM PENTOXIDE,..	FERRO VANADIUM,....	VAN EX,.....		.VANADIUM SILICIDE,TOTAL,.....	
	LES.	AMOUNT	LES.	AMOUNT	LES.	AMOUNT	LES.	AMOUNT	LES.	AMOUNT
1939,.....	48,659.74	\$ 59,223.77							48,659.74	\$ 59,223.77
1940,.....	38,317.49	51,801.96	2,900	\$10,491.95					41,217.49	62,292.91
1941,.....	8,495.11	9,634.03							8,495.11	9,634.03
1942,.....			2,900.57	8,127.70	66,555	\$159,166.50			69,455.57	167,294.20
1943,.....	7,140.71	7,854.79	10,572.76	29,603.72	6,480	15,810.00	58	\$162.40	24,251.47	53,430.91
1944,.....	1,724.35	1,167.92	1,470.32	4,117.46	5,650	8,806.25	34.8	100.92	8,879.67	14,192.55
1945,.....	4,219.72	2,945.01	6,422	11,071.95	1,705	3,506.35	2	6.00	12,348.72	17,529.31
1946,.....					100	240.00			100	240.00
1947,.....										-
1948,.....										-
1949,.....										-
TOTAL,.....	107,957.12	\$132,626.48	24,265.85	\$63,412.78	80,490	\$187,529.10	94.80	\$269.32	212,807.77	\$383,837.68

29005
 JUN 12 1958
 120
 Kelly
 12000

CONTINENTAL ORE CORPORATION AND CONTINENTAL ORE COMPANY

STATEMENT OF YEARLY SALES, COSTS AND PROFITS - VANADIUM

YEAR	SALES C. O. C. BILLING	COST OF SALES	GROSS PROFIT	% OF GROSS PROFIT TO SALES	SALES APEX BILLING	COMMISSION EARNED
June 13, 1939 - Dec. 31, 1939,.....	\$ 59,223.77	\$ 53,403.67	\$ 5,814.10	9.9		
1940,.....	62,292.91	54,007.99	8,284.92	13.3	\$ 34,691.91	\$1,188.83
1941,.....	19,634.03	9,392.44	241.59	2.5	193,820.87	4,963.71
1942,.....	187,294.20	147,046.35	20,247.85	12.1	82,141.55	3,322.77
1943,.....	53,430.91	47, 0	5,584.21	10.5		
1944,.....	14,192.55	14 1	(181.28)			
1945,.....	17,529.31	17, . 1	465.38	2.6		
1946,.....	240.00	212.80	27.20	11.4		
1947						
1948						
1949						
TOTAL,.....	\$383,837.68	\$343,353.71	\$40,483.97		\$310,654.33	\$9,475.31

SUMMARY

	INCOME.....			
	SALES	GROSS PROFIT	COMMISSION	TOTAL
Continental Ore - Govt. billings,....	\$383,837.68	\$40,388.33		\$40,388.33 X
Apex - Billings,.....	310,654.33		\$9,475.31	9,475.31
TOTAL,.....	\$694,492.01	\$40,388.33	\$9,475.31	\$49,863.64 X

2013

PLAINTIFFS' EXHIBIT No. 122

February 27, 1942

To: Apex Smelting Company, Attention: Mr. Lippa

Re: Ferro Alloys

This is to confirm yesterday's conversation in Washington, during the course of which we discussed the situation and came to the following conclusions:

1. You definitely prefer to withdraw from the production of Ferro Alloys and we want to continue this business either alone or with associates. You will do everything in your power to facilitate the transfer of the business.

2. You will continue the Ferro Department for a period of three months, (March, April, May, 1942), and you will run it at capacity. That means you will convert all the quantities of vanadic acid we can secure from:

Blanding Mines

Nisley & Wilson

Shattuck

3. You will produce either Ferro-Vanadium or Van-Ex, at our option. If we choose Van-Ex, then it is understood that you will pack it for our account at cost, so that you will take no profit and also have no responsibility for this business.

4. You offered us the equipment of the Ferro Department, with the exception of the skull cracker and the hammer screen. If we decide to take it for our own account, the transfer will be made at cost less depreciation. Should we sell the equip-

Plaintiffs' Exhibit No. 122—(Continued)

ment to a third party, you will be entitled to a sales price leaving you a profit if possible. In any case, the prices for the equipment will have to be determined by mutual agreement.

5. You are prepared to put Mr. Starmann Jr. at our disposal for the organization of the production in another place, his salary to be borne by us of course.

6. You declared your readiness to supply us with the aluminum at the new place of production, if necessary.

We hope that the above covers the subject.

Upon your suggestion we wrote to Mr. Frost as per copy enclosed, but wish to inform you that we are also in negotiations with another party regarding this business.

CONTINENTAL ORE CORPORATION.

Henry J. Leir/rk

cc Mr. W. A. Singer

Inter-Office Correspondence

Apex Smelting Co.

March 2, 1942

From: Chicago

To: Continental Ore Corporation

Attention: Mr. H. J. Leir

Gentlemen:

We are in receipt of your letter of February 27th, and in principle it is correct except that it is under-

L

Plaintiffs' Exhibit No. 122—(Continued)

stood that we will produce as much as we possibly can in those three months.

The reason we bring this up is that you state that we should convert all the quantities that we can secure from the three companies you name. Not knowing how those quantities may be increased, it is difficult for us to make a commitment with the limited capacity that we have.

However, we believe that we understand each other in this particular. One other item with reference to Mr. Starmann, Jr. You realize, of course, that there will be some expense in addition to his salary, which, of course, would have to be straightened out between the two of you.

The other matter is that you, of course, will hold us harmless for any damage on the contract.

We are certain that all of the above will meet with your approval, but as a matter of record, we would appreciate it greatly if you would be good enough to let us have your acknowledgment.

Regards.

Very truly yours,

L. LIPPA.

LL:FS

Apex Smelting Company
Ferro Department

3/4/42

Attention: Mr. L. Lippa

We received your letter of March 2nd, and take

Plaintiffs' Exhibit No. 122—(Continued)

pleasure in confirming to you that we fully agree with the remarks contained therein.

CONTINENTAL ORE CORPORATION.

Henry J. Leir/rk

P. S. With regard to the damage you mention, we assume that this refers to your relations with F. K. Brignoud.

Apex Smelting Company
Ferro Vanadium Production

3/30/42

Attention: Mr. L. Lipka

We received your letter of March 27th and we gather from it that you would like to close-down the Ferro Department promptly.

We may be able to make arrangements with La-trole whereby we would not have to continue shipments of Ferro. However, before taking this matter up with the customer, we would like to have your opinion on the following point: In case we authorize you to dismantle the Ferro Plant (after the completion of the next 5000 lbs. of V) would you be ready to continue making Van-Ex for a correspondingly extended period, that is, until the end of July.

Please let us have your prompt reaction.

CONTINENTAL ORE CORPORATION.

Henry J. Leir/lm

Plaintiffs' Exhibit No. 122—(Continued)

Apex Smelting Co.
2537 W. Taylor Street
Chicago, Ill.

April 1, 1942

Continental Ore Corporation
500 Fifth Avenue
New York City, New York

Att: Mr. Henry J. Leir

Gentlemen:

In response to your letter of March 30th, the writer had the pleasure of speaking with Mr. Leir today, at which time we advised that we would be very glad to continue handling the Van-Ex for your account until the end of July,* providing you would agree that we could dismantle the Ferro Department within the next several days.

It was also understood that we would continue the purchase of the vanadic acid as heretofore, and that you would immediately furnish us with shipping instructions.

Should you at any time be unable to submit prompt shipping instructions, it is understood that we would, in that event, bill you for the vanadic acid and hold it in our warehouse for your account.

As advised you, we have completed March shipments to Latrobe, and the 5,000# for April will be completed by the end of this week.

* Crayon underscore.

2220 *Continental Ore Company, et al., vs.*

Plaintiffs' Exhibit No. 122—(Continued)

Therefore, if you could give us permission to dismantle, we would very much like getting started on it the first of next week.

The writer understood from our conversation that you would advise us definitely by Saturday of this week.

Awaiting this advice, we remain

Very truly yours,

APEX SMELTING CO.,
L. LIPPA.

LL:L

4/3/42

Apex Smelting Company

Ferro Department

Attention: Mr. L. Lippa

We received your letter of April 1st and agree to these conditions.

You are, therefore, free to dismantle the Ferro Department after having completed the 5,000 lbs. of V for April delivery to Latrobe. You will continue to handle Van-Ex for our account until the end of July, as set forth in our letter of February 27th and yours of April 1st.

CONTINENTAL ORE CORPORATION.

Henry J. Leir/lm

Plaintiffs' Exhibit No. 122—(Continued)

Apex Smelting Co.
2537 W. Taylor Street
Chicago, Ill.

April 6th, 1942

Continental Ore Corporation
500 Fifth Avenue
New York City, N. Y.

Att: Mr. Henry J. Leir

Gentlemen:

We thank you very kindly for your letter of April 3rd., and in accordance with same, we will dismantle the Ferro Department.

In order to know just how to dispose of the equipment, we ask that you please be good enough to advise us whether you are going to be interested in the purchase of this. If not, we will attempt to dispose of it otherwise.

Please be good enough also to advise us regarding this property, and in the meantime we will prepare the regular release papers from this department, and will forward them on to you for your signature.

Very truly yours,

APEX SMELTING CO.,
L. LIPPA.

LL:L

2222 *Continental Ore Company, et al., vs.*

PLAINTIFFS' EXHIBIT No. 127

Continental Ore Corporation

1/13/42

To: Apex Smelting Company

Subject: Re: Nisley & Wilson Vanadium/Shattuck

Attention: Mr. L. Lippa

We are very sorry to learn from your correspondence that Blanding has sold its output to Vanadium Corp.

This makes it even more imperative that you promptly write to Nisley & Wilson to ship the material now ready to you without further delay.

We also want to stress the necessity of sending the proposed letter out to the Vanadium Corp. It becomes more and more necessary every day to obtain a share from them, of the output of the new Government plant in Monticello, and we cannot pave the way for this too early.

Regarding Shattuck, we suggest that you approach them and offer them a contract for larger monthly quantities than they have at present from you, in order to induce them to increase their output.

We consider this most important, since they are now the only regular source of Vanadium we have.

CONTINENTAL ORE CORPORATION.
HENRY J. LEIR, R.K.

Henry J. Leir/rk

Union Carbide & Carbon Corp., et al. 2223

PLAINTIFFS' EXHIBIT No. 129

October 27, 1941

Apex Smelting Company
2537 West Taylor Street
Chicago, Illinois

Attention: Mr. William R. Bayer

Gentlemen:

Re: Ferro Alloys

We have your letter of October 25th, and confirm our telephone conversation with Mr. Singer, according to which we shall be in Chicago on Saturday morning, November 1st, in order to discuss the entire situation.

As arranged, you will not* notify the various suppliers of raw materials to stop shipments, especially since all the raw material received can be easily disposed of under present circumstances.

We look forward to seeing you.

Very truly yours.

CONTINENTAL ORE CORPORATION.

President.

Henry J. Leir/rk

* Pen underscore.

12/19/41

Apex Smelting Company
Latrobe

Attention: Mr. Lippa

Some time ago we promised you that we would not sell any more Ferro-Vanadium below \$2.80,

Plaintiffs' Exhibit No. 129—(Continued)

which is the price of Vanadium Corp. of America Electrical Metallurgical Corp.

We are glad to inform you that Mr. Zenk today accepted our proposal for 1942 at \$2.80.

He is full of praise for your 70-80% Ferro-Vanadium, which they are using for certain types of steel. He went so far as to admit they they cannot produce those steels unless they have your Ferro.

He told us of his wire to you, and your answer with regard to the 5000 pounds which are still due him. We informed him that he would receive this backlog of 5000 pounds by the end of the month.

CONTINENTAL ORE CORPORATION.

Henry J. Leir/rk

Inter-Office Correspondence
Apex Smelting Co.

From Chicago

Dec. 22, 1941

To Continental Ore Corp.

Attention: Mr. H. J. Leir

Gentlemen:

We have your letter of December 19th, and we are pleased to note that the new basis to Latrobe will be \$2.80. We are also delighted to hear that they have praised the material.

We note, however, that you informed them that the order of 5000 lbs. would be delivered to them by the end of this month. As you will note from our telegrams, it will not be possible to do this as we do not expect the department to be ready until sometime during the first week of January, and

Plaintiffs' Exhibit No. 129—(Continued)

with good luck, we hope to make shipment the second week of January.

You may rest assured that we will do everything we possibly can to expedite this.

Very truly yours,

L. Lipka.

LL:FS

PLAINTIFFS' EXHIBIT No. 130

(Copy) Apex Smelting Co.
2537 W. Taylor St.
Chicago, Ill.

April 23, 1942

Vanadium Corporation of America
420 Lexington Avenue
New York City, N. Y.

Att: Mr. Gustave Laub, Vice President

Gentlemen:

In accordance with conversation our Mr. Christiansen had with you, we are pleased to enclose an equipment inventory of our Ferro Alloy Department which we desire to sell.

This list does not include all the equipment used in that department, since we find use for the rest of it in our aluminum production.

We would appreciate very much if you will advise us by return mail whether this will be of any interest to you.

We are greatly in need of the space and there-

Plaintiffs' Exhibit No. 131—(Continued)

ing Mr. Milenski, please be advised that we have arranged to pay them \$1.50 * Chicago.

Also please be advised that he went back west from Chicago without going further east.

Very truly yours,

L. Lippa.

LL:FS

* Crayon underscore.

January 6, 1942

Blanding Mines, Inc.

Cortez, Colorado

Attention: Mr. H. L. Bigler

Gentlemen:

We understand that your Blanding mill and your mining claims (or perhaps only one or the other) are at present under option to the Vanadium Corp. of America. We should very much appreciate your informing us frankly as to whether this information is correct. We hope you will not hesitate to tell us your position in that respect, in view of our long and pleasant relations, and the complete cooperation we have always given you.

In any case, we wish to say that it is of course the tendency of the U. S. Vanadium Corp. and the Vanadium Corp. of America to firmly establish their monopoly by getting hold of all sources of vanadic acid, so as to impede the operations of their sole competitor, the Apex Smelting Company.

Plaintiffs' Exhibit No. 131—(Continued)

However, we do not see any advantage to you in lending your facilities to this project. If you will sell out to the Vanadium Corp. at this time, you will only have to pay a lot of taxes, instead of holding on to a continuous business which, in cooperation with us, will be profitable for you for years to come.

During the war we can pay you a satisfactory price for the acid, and once the war is over, we can again obtain for you the higher prices which govern the foreign markets. This would not be the case if you sold out now, or tied up your production with the Vanadium Corp., because it would be they who would profit by these interesting foreign markets.

This situation may arise much more quickly than most people think. We do not believe the war will last for years and years, as is often anticipated. We think that conditions in Europe, and especially in Germany, are such that the end may come within this year.

For all these reasons, we think it is much more to your advantage to stay independent, and we should like to hear from you in this respect.

Very truly yours,

CONTINENTAL ORE
CORPORATION,

.....
President.

Henry J. Leir/rk

Union Carbide & Carbon Corp., et al. 2239

Plaintiffs' Exhibit No. 131—(Continued)

Blanding Mines Company
(Of Utah)

(Copy)

January 9, 1942

Apex Smelting Co.
2537 W. Taylor St.
Chicago, Ill.

Gentlemen:

At the advice and recommendation of the owner of our claims, it will be necessary for us to dispose of our product here. We regret very much that we will be unable to deal with you.

Very truly yours,

BLANDING MINES CO.,
By DAN MILENSKI,
Sec.

CC: Continental Ore Corp.

(Copy)

January 12, 1942

Blanding Mines Company
P.O. Box 895
Cortez, Colorado
Attention: Mr. Dan Milenski

Gentlemen:

We have your letter of January 9th, and we regret exceedingly to note that you are compelled to dispose of your material in your district, as we enjoyed doing business with you, and we were looking forward to receiving increasing amounts from you.

Plaintiffs' Exhibit No. 130—(Continued)

fore are anxious to move these items as quickly as possible.

Incidentally, if your Chicago office would like to inspect this material, we want you to know that they will be welcome to do so.

Very truly yours,

APEX SMELTING CO.

L. Lippa

Received April 24, 1942. G.L.

LL:L

encl.

EWC

Apex Smelting Co.

(Copy)

Ferro Alloy Department Equipment Inventory:

Item 1: Allis-Chalmers 7" x 9" Dodge steel frame jaw crusher #3604, 36" x 4" double flywheel, 9 strand V belt motor drive, 32" centers, 30" grooved drive pulley, 7" grooved motor pulley, Master 10 H. P. induction motor #IN714, type PA, 3 phase, 60 cycles, 220 volts, 1150 R.P.M., Wadsworth 60 amp. 250 volt enclosed switch. New Value \$1052.12.

Item 2: Allis-Chalmers 7" x 9" Dodge C. I. Frame jaw crusher #3599 with Allis-Chalmers 9-strand 10 H.P. Texrope drive. 30" centers, Master 10 H. P. induction motor #IM12, type PA, 3 phase, 60 cycles, 220 volts, 1150 R.P.M. New Value \$836.89.

Item 3: Swinging jib crane 5" x 15' pipe mast with top and bottom ball bearings. 2" x 14' pipe jib, 2 winches and 3' wire cable. New Value \$157.00.

Plaintiffs' Exhibit No. 130—(Continued)

Item 4: Twelve 48" x 48"—6" I beam frame industrial crucible trucks, 16" single flange wheel. New Value \$600.00.

Item 5: A & J Iron and Boiler Works—4 Magnesite or ore dump buckets, 22" deep with sloping front side from top 40" x 20" to bottom 24 x 20. New Value \$171.68.

Item 6: A & J Iron and Boiler Works — 1 Flat bottom crucible form (28" dia.) New Value \$41.00. 1 round bottom crucible form (28" dia. at top of crucible) 53" high-25" wide at bottom. New Value \$61.77.

Item 7: A & J Iron and Boiler Works—5 sets of crucible rings, 40 1/2 rings. Each crucible has 4 complete rings, each 49" diameter and 12" high. New Value \$600.00.

Item 8: 80 clamps and wedges to fasten the crucible rings. New Value \$200.00.

Received April 24, 1942. G.L.

April 24, 1942

Apex Smelting Company
2537 W. Taylor Street
Chicago, Illinois

Attention: Mr. L. Lipka

Gentlemen:

This will acknowledge receipt of your letter of April 23rd submitting a list of equipment of your Ferro Alloy Department which you desire to dispose of.

2228 *Continental Ore Company, et al., vs.*

Plaintiffs' Exhibit No. 130—(Continued)

We are referring this list to our Operating Department and will advise you promptly if they are interested in any of the items.

Thanking you, we are

Yours very truly,

Assistant Vice President.

GL:HK

cc/JRD

April 28, 1942

Apex Smelting Company
2537 W. Taylor Street
Chicago, Ill.

Attention: Mr. L. Lipka

Gentlemen:

Our Mr. Gustav Laub has handed me a list of equipment which I understand is to be disposed of.

We have sent this list to our Engineering Department and they are going over it in detail with the idea of determining which items might be of interest to us.

Please accept our thanks for the privilege of examining this list and we shall try to give you our answer as promptly as possible.

Very truly yours,

J. R. D.

Vice President.

JRD:V

CC-GL

Received April 28, 1942. G.L.

PLAINTIFFS' EXHIBIT No. 131

Daniel Milenski
Attorney-at-Law
Cortez, Colorado

Mr. Paul M. Hirschland

June 19, 1940

The Continental Ore Company

500 5th Ave.

New York, New York

Dear Sir:

The vanadium mines at Blanding, formerly operated by H. J. Kimmerle, and later by Bigler & Usher, will soon be producing fused vanadic acid. The mill has been rebuilt and greater production is anticipated. It will be operated by a group, the principal member being Mr. Bigler.

It is expected that by July 15, 1940 that a fair sized shipment will be ready, and if you are interested in purchasing the finished product, we would appreciate hearing from you. We believe that an arrangement similar to that of the past, that is you would maintain a balance in the Bank here to guarantee payment and also to draw advances against on bills of lading if necessary.

May we hear from you?

Very truly yours,

Dan Milenski.

Mr. Daniel Milenski.

July 2, 1940

Cortez, Colorado.

Dear Sir:

We received Mr. Bigler's letter of June 27th and note with pleasure that you expect to have an out-

Plaintiffs' Exhibit No. 131—(Continued)

put of 10,000 lbs. of V2O5 per month. We are also glad to hear that you are prepared to cooperate with us, so that our existing pleasant relationship will be continued.

As a matter of fact, we specialize only in a few materials, but particularly in Ferro Alloys like Ferro Vanadium, Vanadic Acid, Lead-Vanadium ores, and other Vanadium bearing materials.

You will be aware of the fact that the export prices for Vanadic Acid are higher than those paid on the domestic market. For your information the present prices are as follows (for first-class Vanadic Acid with about 90% V_2O_5):

Domestic—\$1.05-\$1.10 delivered at points of consumption.

Foreign—\$1.30-\$1.35 f.o.b. New York, including ocean packing (steel drums).

As in the past we would buy your material "for export". However, the situation this year is different from that which existed last year, and it might be that

a) Washington bans exports of Vanadium which is considered a "critical" material for the national defense.

b) The situation abroad might develop in such a direction that exports will practically cease.

We are also buying Vanadium raw-materials which we convert into Ferro Vanadium in this country; in other words, if the export business would stop, we could nevertheless continue to buy from you for our domestic needs.

Plaintiffs' Exhibit No. 131—(Continued)

We would therefore like to put the following proposal before you, for your approval:

1) Every week you will ship your total output of fused Vanadic Acid with about 90% V_2O_5 (otherwise also of first-class quality) to Messrs. Ledoux & Company, New York City.

2) You will present the B/L to your bank in Cortez who will pay you an advance of 75c per lb. Vanadic Acid (not V_2O_5), for our account.

3) As long as we can export and until further notice we will pay you \$1.30 per lb. V_2O_5 f.o.b. Thompson, Utah.

Sampling, analysis, packing expenses of Ledoux & Company to be equally divided between us, as in the past.

4) If export possibilities cease, we will

a) make new arrangements with you regarding the use of any material with Ledoux or in transit for the domestic market, at a price to be agreed upon.

b) if no agreement as to price is possible, we will be obliged to put the merchandise at your disposal, and you will return our advance.

On going through the above conditions you will find that they protect the interests of both parties, which, after all, is the purpose of a contract.

We strongly recommend you to bring down your production cost, so that you will make a profit even

Plaintiffs' Exhibit No. 131—(Continued)

if you are limited to the lower domestic prices, should general conditions develop that way.

Very truly yours,

CONTINENTAL ORE CORPORATION.

Henry John Leir.

HJL/LL.

Blanding Mines Company
(Of Utah)

November 18, 1940

Continental Ore Corporation
500 Fifth Ave.
New York, New York

Gentlemen:

This morning we shipped gross weight of 7290 to Apex, for which invoice is enclosed.

Of this shipment 2465 net weight has a content of 86.7% and 4700 net weight has a content of 80.6% V_2O_5 .

We were not certain until this date as to form that calcium had taken, and our chemist and engineer informs us that approximately 90% of all calcium in the sample was in the form of vanadate; 0.86% is insoluble.

Our laboratory facilities have been improved and have employed a very capable chemist. However, in view of the fact that we are not grinding the product as finely as should be in order to accurately determine the content, we would appreciate it, if in the future, you would send us a sample that has

Plaintiffs' Exhibit No. 131—(Continued)

been ground finely, and we will have our chemist analyze it. We request that this be done instead of referring it to Ledoux, as we are convinced that our analysis will not vary from the correct analysis which you will also obtain, providing that we have a representative sample of the entire shipment.

We have made some changes in the mill and we expect in the future to make more changes and improvements and we will include in the future improvements a crusher for the finished product. If we hold to our present output we will have between 12,000 and 15,000 monthly; and by spring it will probably be up to 20,000 lbs. We will endeavor to hold quality to 85% or better.

It might be of interest to you to state that our new chemist and metallurgist, Arnold J. Guerber, has over 25 years experience with rare metals, and worked for United States Vanadium and Standard Chemical Company as chief chemist, and he states that in his experience he has never seen the vanadium deposits that we have on our claims, which he states to be practically unlimited. At the present time our mill heads are averaging approximately 4% V_2O_5 equivalent after mixing 25% tailings with the ore as taken from the mine. We are finding the services of Mr. Guerber extremely valuable in solving some of our problems.

Very truly yours,

Blanding Mines Company,
Dan Milenski, Secretary.

2234 *Continental Ore Company, et al., vs.*

Plaintiffs' Exhibit No. 131—(Continued)

Air Mail

March 22, 1941

Blanding Mines Company

Box 895

Cortez, Colorado

re: Vanadic Acid

Gentlemen:

You are certainly aware of the fact that during these last weeks efforts are being made to substitute molybdenum for other alloys, especially tungsten and vanadium.

The reason for this is that a large proportion of tungsten, as well as vanadium, is being imported into the United States, whereas there exist huge quantities of molybdenum in this country.

The policy of the Apex Smelting Company is to satisfy every demand of their ferro vanadium customers, because if Apex were to decline their orders, they would certainly follow the general tendency and switch over to molybdenum. Then, in view of the difference in price, which is also in favor of molybdenum, it would be quite hard to win them back again.

Our other suppliers of Vanadic Acid—in order to make this policy of Apex a success—have greatly increased their output, and it is also in your interest to try to resume production at the earliest possible time, so that Apex can turn out increasing quantities of Ferro.

If you should only start again later in the Summer, it may be that Apex has reached the limit of their production, based on other sources of supply.

We therefore suggest that you resume at the

Plaintiffs' Exhibit No. 131—(Continued)

earliest moment the good relations which exist between you and Apex, in sending them as soon as possible further quantities of your material. Of course, do not ship in lots of less than 5,000 pounds at a time, as smaller quantities would cause too much trouble and Apex has to save all unnecessary handling at the present time.

It is certainly in the interest of all parties concerned to cooperate closely in order to satisfy the demands for vanadium at this time and to conserve a clientele for the time when conditions are normal again.

Very truly yours,

CONTINENTAL ORE CORPORATION,
President.

Henry J. Leir

SM

Blanding Mines Company
(of Utah)

P. O. Box 895
Cortez, Colorado

(Copy)

Oct. 31, 1941

Apex Smelting Co.
2537 Taylor St.
Chicago, Illinois

In response to request of Mr. Henry J. Leir we wired you as follows:—"We are in no hurry to start shipments. We are producing approximately 2500 lbs. per week. Production undoubtedly will double in 1942. Letter follows"

Plaintiffs' Exhibit No. 131—(Continued)

Our mill has been completely rebuilt and we have centralized power plant. The "bugs" have been removed much better than expected. As yet we are not trying to crowd the mill, or even put it up to the production that it will take. We have gathered considerable data and are positive that we will soon be producing over 5000 lbs. per week. Our product is over 85% pure, i.e. V_2O_5 .

Your quotation of \$1.02 Chicago is below other offers which we have received and we are not disposed to sell for that price with better offers available. We suggest that if you desire that you submit new offer. We might be agreeable, if price is satisfactory, to contract for shipments at stated intervals of certain size.

The writer plans on being in Chicago sometime around No. 10th and will endeavor to call on you and discuss the situation.

Very truly yours,

Dan Milenski.

Inter-Office Correspondence

Apex Smelting Co.

[Crayon Note: Blanding.]

Nov. 14, 1941

From Chicago

To Continental Ore Corp.

Attention: Mr. H. J. Leir

Gentlemen:

In reply to your letter of November 13th regard-

Plaintiffs' Exhibit No. 131—(Continued)

However, should the situation change in the future, we will appreciate it if you will again get in touch with us.

Very truly yours,

APEX SMELTING CO.,
L. LIPPA.

LL:FS

Blanding Mines Company
(Of Utah)

Mail Address: P. O. Box 895, Cortez, Colorado

January 14, 1942

Continental Ore Corporation
500 Fifth Avenue
New York, N. Y.

Attention Mr. Henry J. Leir

Dear Mr. Leir:

We do not know exactly what our plans will be for the future operations of the Blanding Mill as in making these plans, we must naturally consider the views of Mr. Garbutt, the owner of the claims, for the reason that through Mr. Garbutt we secure valuable information which is working to our advantage. Our marketing is being handled principally through Mr. Garbutt and we are getting a satisfactory price which is much better than the price offered by Apex.

Possibly, in the near future, we might have

Plaintiffs' Exhibit No. 131--(Continued)

reached definite plans for future operations and if so we will advise you.

Very truly yours,

/s/ DAN MILENSKI.

DM:e

Blanding Mines Company
(Of Utah)

Mail Address: P.O. Box 895, Cortez, Colorado

(Copy)

February 23, 1942

Apex Smelting Co.
2537 W. Taylor St.
Chicago, Illinois

Gentlemen:

We have your wire of February 14 and letter confirming the wire. No report was made at an earlier date for the reason that we were endeavoring to become more familiar with the situation.

As we take the letter we received from the War Department, we are not directed to sell our product to you, and as previously advised, other arrangements have been made for the sale of our product and we have informed the War Production Board that we desire to continue with our present sales arrangement.

We regret that we are unable to sell our product to you, however, you are aware of our set-up and the fact that we are merely operating under a lease. We are producing now under somewhat of a handi-

Plaintiffs' Exhibit No. 131—(Continued)

cap, for the reason of adverse climatic conditions with result of poor roads.

Very truly yours,

BLANDING MINES COMPANY,
By L. EATON,
Ass't. Secretary.

March 5, 1942

Mr. Dan Milenski
P. O. Box 895
Cortez, Colorado

Dear Mr. Milenski:

This is to confirm the telephone conversation I had with you last night, and in order to avoid any misunderstandings, I prefer to write this letter to you personally, rather than to the company.

If I understood you correctly, Mr. Garbutt, the owner of your claims, has 100 tons of ore available daily, and the Vanadium Corporation wants to buy his ore only if and when Mr. Garbutt exercises his influence on you to the effect that you give your output to the Vanadium Corporation.

This is a reversal of the entire situation, because:

A. Vanadium ore is scarce, and is becoming more and more scarce every day.

B. The Vanadium Corporation will be only too glad to have every pound from Mr. Garbutt, particularly in view of the completion of the new plant in Monticello.

Plaintiffs' Exhibit No. 131—(Continued)

Frankly speaking, it is ridiculous for Mr. Garbutt to think that he could not sell his ore to the Vanadium Corporation without including your Vanadium Pentoxide.

Garbutt himself should be convinced that the Vanadium Corporation needs him very badly, and that he could sell his output anywhere.

The fact exists that the Government is putting up the money at Monticello, and if the Vanadium Corporation is not very reasonable, Mr. Garbutt can go right to the Defense Plant Corporation in Washington, and make his deal with them directly.

The country needs Vanadium, and there is a tremendous scarcity at the present time, so that you too should consider increasing your output by all means.

It is a pity that in recent months we have had no personal contact. You will remember that whatever information we gave you proved to be correct, and if you will cooperate with us now, we will not forget it.

We repeat that, in the long run, it will be to your own advantage to keep yourself absolutely independent, and to cooperate with us as independent producers of Vanadium, rather than reduce our business now, during the emergency, which in turn means that our business after the emergency will necessarily have to suffer.

Please remember always the excellent prices you received for the export business we brought you,

Plaintiffs' Exhibit No. 131—(Continued)

and which no Vanadium Corporation will ever pay you.

With regard to the price to be applied just now, we suggested over the phone \$1.125 FOB Blanding, or \$1.15 FOB Chicago. If you think however that you must have \$1.15 FOB Blanding, we will not object. The main thing is that you must help us to stay in business now, for your own sake as well as ours.

I think it would be relatively simple for us to intervene with the WPB. We know all the men there, and they are all trying to help our business survive against the monopoly.

However, we of course will not discuss the situation in Washington until you authorize us to make use of the remarks you made yesterday over the phone, as repeated above.

Kind personal regards.

Sincerely yours,

HENRY J. LEIR.

hjl/rk

March 20, 1942

Blanding Mines Company
P. O. Box 895
Cortez, Colorado

Attention: Mr. Dan Milenski

Gentlemen:

We received your telegram of today. We note that you are considering our proposition and that

Plaintiffs' Exhibit No. 131—(Continued)

you have 10,000 pounds on hand at the present time.

We would, of course, be willing to take these 10,000 pounds over promptly, and as soon as we have your reaction as promised in your telegram, we can send our contracts for signature.

We should appreciate your early reply since we intend to reserve some orders which we would like to fill with your material.

Very truly yours,

CONTINENTAL ORE CORPORATION.

President.

Henry J. Leir/aw

[Western Union Telegram.]

1942 Mar. 27 P.M. 6 25

NBH314 51/53 XC—Cortez, Colo. 27 217P

John Henry Leir, Contl. Ore Corp.

500 Fifth Ave.

Negotiations In Progress Submit Your Best Offer On Fused Vanadic Acid 85 Percent or Better Content FOB Our Mill. Suggest You Submit Offer For Output Over Six Month Period With Provisions of Increased Price If Market Advances We Are Producing Approximately Eleven Thousand Pounds Per Month Fifteen Thousand Pounds On Hand Answer Western Union.

DAN MILENSKI.

Vanadic 85.

[Pencil Note: 1½"—bags freight coll.]

2246 *Continental Ore Company, et al., vs.*

Plaintiffs' Exhibit No. 131—(Continued)

[Copy of Western Union Telegram.]

March 28, 1942

NLT

Blanding Mines Company

P. O. Box 895

Cortez, Colorado

Agree purchase your entire output next six months. Price until further notice 1.20 Dollars per pound Pentoxide fob truck or car your nearest station. Acid must be crushed one-eighth inch and down. We return bags freight collect. This is authorization for you to start shipments to Apex immediately. Payment as previously.

CONTINENTAL ORE CORPORATION.

[Copy of Western Union Telegram.]

1942 Mar. 20 P. M. 1 20

NBH135 39 DL XC—Cortez Colo 20 920A

Henry John Leir, Contl. Ore Corp.

500 Fifth Ave.

Your Letter of March 16 Received. Consideration Being Given to Your Suggestions. We Will Endeavor to Give Answer Shortly. Our Production For March Will Be About Twelve Thousand Pounds. Increase In Future Expected. Ten Thousand Pounds Now On Hand.

DAN MILENSKI.

Plaintiffs' Exhibit No. 131—(Continued)

Blanding Mines Company
(of Utah)

Mail Address:

P. O. Box 895
Cortez, Colorado

March 31, 1942

Mr. Henry J. Leir
Continental Ore Corp.
500 Fifth Avenue
New York, N. Y.

Dear Mr. Leir:

Thank you for the offer you wired us. The writer regrets that your terms are not sufficiently attractive.

We could not accept your offer for reasons of price and others—the others being that we have no facilities for grinding to $\frac{1}{8}$ inch, and we do not desire to ship it so ground even if we had the facilities for grinding because the sack situation will become increasingly difficult to cope with, and we cannot furnish sacks nor containers, nor can we pay freight charges on the returned containers. Consequently, we wired you as follows: "Your offer rejected. Letter follows."

Very truly yours,

BLANDING MINES CO.,

/s/ By DAN MILENSKI,

Sec.

DM:e

[Pencil Note: Apex—Removable cover.]

Plaintiffs' Exhibit No. 131—(Continued)

May 4, 1942

Mr. Dan Milenski

I telephoned Mr. Milenski from Denver on April 21st.

They are producing 12,000 pounds of concentrates regularly per month, equal to about 9000 pounds of V_2O_5 .

They have 20-25,000 pounds on hand, and if this figure is correct, it seems that they did not sell too much of their material.

I offered:

\$1.17½ for lumps

\$1.20 for flakes

They do not want to grind the material at all.

He promised me that he would send me a wire in Albuquerque, but I did not hear from him.

Henry J. Leir/rk

June 20, 1942

Blanding Mines Company (of Utah)

P. O. Box 299

Durango, Colorado

Attention: Mr. Fred A. Brinker, Treas.

Re: Fused Vanadium Oxide

Gentlemen:

The Apex Smelting Company forwarded your letter of June 16 to us, and we take pleasure in enclosing herewith a schedule showing the prices at present paid by the Apex Smelting Company for

Plaintiffs' Exhibit No. 131—(Continued)

fused Vanadium Oxide, with minimum 85% V_2O_5 .

Please note that the material must be crushed to one-eighth inch.

We trust that you will find these prices satisfactory, and would appreciate your wiring us upon receipt of this letter what quantities we may expect from you during July.

You know that applications for allocation must be made for each month not later than the 20th of the preceding month. In principle, we should have filed an application for any shipments to be made from you during July by today. We will, of course, obtain Washington's approval, also, as we submit our request at the beginning of next week.

Therefore, please do not neglect to wire us promptly what quantity you will have available during July.

Very truly yours,

CONTINENTAL ORE CORPORATION.

President.

Henry J. Leir

b

Air Mail

June 20, 1942

Prices Paid By Apex Smelting Company
for

Vanadic Acid containing min. 85% V_2O_5

and crushed to $\frac{1}{8}$ of an inch

f.o.b. Colorado points

Less than 3,000 pounds\$1.10

2250 *Continental Ore Company, et al., vs.*

Plaintiffs' Exhibit No. 131—(Continued)

Between 3,000 and 10,000 pounds . . . \$1.12½

Between 10,000 and 20,000 pounds . . . \$1.15

P. S. These prices are also applicable for material shipped from Thompson, Utah.

[Copy of Western Union Telegram.]

1942 Jun 23 PM 4 43

NBH268 5 XC—Durango Colo 23 134P

Contl. Ore Corp.

500 Fifth Ave.

Letter Received. Quotation Not Satisfactory.

BLANDING MINES CO.

[Copy of Western Union Telegram.]

Nightletter

June 23, 1942

Blanding Mines Company

P. O. Box 299

Durango, Colorado

Retel regret we will no longer bid for your output. If you want to do business with us at all suggest you state your conditions and give us fair opportunity to acquire at least part of your production.

CONTINENTAL ORE CORPORATION.

Plaintiffs' Exhibit No. 131—(Continued)

February 25, 1942

Blanding Mines Company
P. O. Box 895
Cortez, Colorado

Gentlemen:

Re: Vanadic Acid

We refer to our letter of January 31st.

In the meantime, we have been advised by Mr. Edwin K. Jeneke, Assistant Chief of the Vanadium Branch, WPB, that his office agrees to your shipping your output of vanadic acid to the Apex Smelting Company.

We assume that you have also been advised, and are very glad that the WPB recognized the importance of utilizing the capacity of our plant; we should very much like to come to an understanding with you regarding the conditions of our future cooperation.

Would you therefore be good enough to tell us what quantities you expect to produce during the next few months, and what price you expect.

We do not doubt that we will be able to come to a mutually satisfactory understanding.

Very truly yours,

CONTINENTAL ORE CORPORATION,
President.

Henry J. Leir/rk

PLAINTIFFS' EXHIBIT No. 132

Henry John Leipziger

New York City
15, Central Park West
Hotel Mayflower,
Columbus 5-0060

May 11, 1939

Messrs. Vanadium Co. of America
420 Lexington Ave.
New York City

Gentlemen:

I just arrived in the States again and wish to submit you the following inquiry:

Monthly 5,000 lbs (five-thousand) of fused Vanadic Acid, containing about 90%, for delivery until the end of this year to Le Havre, France.

*Should you be interested in, please send your detailed offer by the "Europa" to Luxembourg direct, but let me have a copy to the Mayflower Hotel.

Hoping business will result, I remain, Gentlemen, with kind personal regards

Very truly yours,

*showing your complete average analysis

(Copy)

May 23rd, 1939

Societe Anonyme des Minerais
Luxembourg
Europe

Gentlemen:

Your letter of May 11th was for some unknown reason delayed in reaching the writer.

Plaintiffs' Exhibit No. 132—(Continued)

With regard to quoting you on monthly quantities of Fused Vanadium Pentoxide containing about 90% V_2O_5 until the end of the year for delivery at Le Havre, France, wish to state that at present we are not quoting for extended deliveries on this material. Should you be in the market for any specific quantities for delivery within the next month or six weeks, we would be pleased to entertain your inquiries.

While, until we have this information, we will not be in position to quote you firm, our present price for this material is \$1.30 per pound of contained V_2O_5 F.A.S. New York, with present freight rates allowed to Le Havre.

Should you be interested in this material we would be pleased to hear from you either by mail or cable.

Yours very truly,

Gustav Laub,
Assistant Vice President.

GL:IL

CC * * * Henry J. Leipziger
Hotel Mayflower
New York

Plaintiffs' Exhibit No. 132—(Continued)

May 30, 1939

Per SS "Queen Mary"

Messrs. Vanadium Company of America
420 Lexington Avenue
New York City
N. Y.—U.S.A.

Attention Mr. Laub
Asst. Vice President.

Gentlemen:

Vanadic Acid

Our General-Manager, Mr. Henry John Leipziger, informs us about your telephone conversation which you had with him regarding the sale of Vanadic Acid.

We duly noted your idea of price, but before taking any decision, we would need a complete analysis of your stuff as well as a sample of about 1 lb. in order to submit it to our friends.

We therefore should be glad if you would kindly give this matter your prompt attention and awaiting to hear soon from you, we are, Gentlemen,

Yours very truly,

Soc. An. Des Minerais
Administrateur-Directeur.

Plaintiffs' Exhibit No. 132—(Continued)

(Copy)

June 8th, 1939

Societe Anonyme des Minerais

Luxembourg

Europe

Gentlemen:

We have your favor of May 20th which apparently crossed ours of the 23rd in transit. In accordance with your letter we are pleased to give you herewith a typical analysis of our standard Vanadium Pentoxide, Technical grade, Fused, as follows:

V ₂ O ₅	90.10%	Al ₂ O ₃	.21%	NiO	none
SiO ₂	.33	SO ₃	.24	P ₂ O ₅	.004%
Fe ₂ O ₃	.18	Na ₂ O	5.84	CuO	none

We are also, in accordance with your request, having our works forward you promptly a one-pound sample of this material for your examination.

At the present time our demands for Vanadium Pentoxide (Vanadic Acid) are rather heavy and it is requested, if you are interested, that you let us know as much in advance as possible as to your possible requirements. Just at this time we would be unable to say whether or not we could book any additional tonnage for immediate shipment but after the sample has been received and examined if you will let us know the specific quantity in which you are interested we will advise you promptly by cable as to our ability to meet your requirements.

Plaintiffs' Exhibit No. 132—(Continued)

We will be very much interested in having your comments with regard to the sample after it has been received and examined.

Yours very truly,

GUSTAV LAUB, IL,
Assistant Vice President.

GL:IL

cc: Mr. Henry J. Leipziger
Hotel Mayflower
New York City

[Letterhead of Vanadium Corporation of America]

Mr. Henry J. Leipziger June 20th, 1939
Hotel Mayflower
New York City

Dear Mr. Leipziger:

Since missing you last week I have endeavored on various occasions to reach you by phone at the Mayflower Hotel but have been unsuccessful.

Just want to let you know that the sample of Vanadic Acid (Vanadium Pentoxide) has been forwarded to the Societe Anonyme des Minerais at Luxembourg, as per my letter of June 8th, and we shall be pleased to hear from them further just as soon as they have examined the sample.

As explained to you previously our commitments are very heavy at the present time and we would

Plaintiffs' Exhibit No. 132—(Continued)

ask that you kindly have your principals anticipate their needs and requirements as much as possible.

Should you again be in this vicinity would be pleased to have you drop in. Inasmuch as I am out of the office a great deal, however, would appreciate your telephoning so that a definite appointment can be made.

Yours very truly,

/s/ GUSTAV LAUB,

Assistant Vice President.

GL:IL

July 28, 1939.

Gentlemen,

Attention: Mr. G. Laub.

Please let us know whether you are in a position to supply us with Vanadic Acid corresponding to the following description:

V205	minimum	90.-%	18-47
Fe203	maximum	3.-%	.50
Si02	"	1.-%	.40
Mo03	"	0.2%	
W03	"	0.2%	
As203	"	0.2%	

the balance up to 100% consisting of Na2O and loss on ignition.

This material should be crushed to minus 14-mesh Tyler.

We hope you can submit us a favorable price for this material of which we need 10,000 lbs. a year. (2 shipments of 5000 lbs. each).

Should you be interested in this business please let us have your complete analysis and a sample of 1 lb., together with your lowest price, delivered Buffalo.

We shall be glad to hear from you soon, and remain,

Yours very truly,

CONTINENTAL ORE CORPORATION.

Paul W. Hirschland
Paul W. Hirschland.

negated

54 17039

52

057

Plaintiffs' Exhibit No. 132—(Continued)

[Letterhead of Continental Ore Corporation]

Mr. G. Laub, August 8, 1939
The Vanadium Corporation of America,
Graybar Building,
420 Lexington Avenue,
New York City.

Dear Mr. Laub:

With reference to our inquiry of July 28th and with reference to our telephone conversation of yesterday we have not yet received the offer you were kind enough to advise.

Yours very truly,

CONTINENTAL ORE CORPORATION,
/s/ PAUL M. HIRSCHLAND.

PMH:TH

[Letterhead of Continental Ore Corporation]

October 17th, 1939

The Vanadium Corporation of America
420 Lexington Avenue
New York, N. Y.

Re: Vanadic Acid.

Gentleman :

Please let us have your best offer for

- 1) 5000 lbs. of Vanadic Acid, air or gas dried.
- 2) 4000 lbs. of Ferro Vanadium, 50% V; maximum 0.5% C.

2260 *Continental Ore Company, et al., vs.*

Plaintiffs' Exhibit No. 132—(Continued)

3) 3000 lbs of Ammonium Metavandate.

Both materials are destined for export to Belgium.

Looking forward to your reply, we remain

Yours very truly,

CONTINENTAL ORE CORPORATION,
/s/ PAUL M. HIRSCHLAND.

PMH:k

October 18th 1939

Continental Ore Corporation
500 Fifth Avenue
New York City

Attention: Mr. Paul M. Hirschland.

Gentlemen:

In reply to your letter of October 17th requesting offers on Vanadic Acid, Ferro Vanadium, and Ammonium Meta Vanadate, for export to Belgium, regret to advise that in view of our present heavy commitments we are unable to quote you on these materials at the present time.

Should our situation change within the near future we shall be pleased to get in touch with you.

Yours very truly,

Assistant Vice President.

GL:IL

Plaintiffs' Exhibit No. 132—(Continued)

[Letterhead of Continental Ore Corporation]

June 16, 1941

Vanadium Corporation of America
420 Lexington Avenue
New York City

Attention: Mr. Gustav Laub, Vice President.

Gentlemen:

As you know, the Apex Smelting Company of Chicago has been in the aluminum smelting business for more than 20 years.

Last year they entered into the production of certain ferro alloys by the alumino-thermic process, and have created good facilities for this particular manufacture which, if necessary, could be easily enlarged.

Would you be interested in "farming out" a certain quantity of vanadic acid, and allow us to convert it for your account into low carbon ferro vanadium?

We shall be awaiting the pleasure of your reply to the above suggestion, and hold ourselves at your disposal for any personal discussion you might like to have on this subject.

Yours very truly,

CONTINENTAL ORE CORPORATION,

/s/ HENRY J. LEIR,

President.

Henry J. Leir/re

2262 *Continental Ore Company, et al., vs.*

Plaintiffs' Exhibit No. 132—(Continued)

[Letterhead of Vanadium Corporation of America]

June 18, 1941

Continental Ore Corporation
500 Fifth Avenue
New York, New York

Attention: Mr. Henry J. Leir, President.

Gentlemen:

In response to your letter of June 16th wish to advise that we would not be interested in your proposition of furnishing you with Vanadic Acid for conversion into Ferro Vanadium as all of our production is consumed in the manufacture of our own products.

We thank you, however, for having referred the matter to us.

Yours very truly,

/s/ GUSTAV LAUB,

Assistant Vice President.

GL:ESW

CONTINENTAL ORE CORPORATION
800 FIFTH AVENUE
NEW YORK

AGENTS OF
APEX SMELTING CO.
CHICAGO, ILL.
PRODUCERS OF FERRO-ALLOYS

June 21, 1941

Vanadium Corp. of America
420 Lexington Avenue
New York City

Attention: Mr. Gustav Laub, Assistant Vice President

Gentlemen:

We received your letter of June 18th.

Just for the record, may we state again that we did not ask you to furnish us with your Vanadic Acid for our own use.

is offered you our facilities in Chicago for the purpose of converting your material for your account, on a toll basis. In other words, we would return the finished ferro to you.

Very truly yours,

CONTINENTAL ORE CORPORATION

President

Henry J. Leir/re

*Advised by phone
today - not
interested. Said it
thought we might be
short of all water
reducing quantity
which they make
7/6*

TELEPHONE LACKAWANNA 2-2720
CABLE ADDRESS LACKAWANNA
CHICAGO - ILL.
U.S.C. OF CHICAGO
AGENTS OF APEX SMELTING CO.

Plaintiffs' Exhibit No. 132—(Continued)

Office of Production Management
Social Security Building, Washington, D. C.

Continental Ore Corporation July 16, 1941
500 Fifth Avenue
New York, New York

Attention: Mr. Henry J. Leir

Subject: Vanadium

Dear Mr. Leir:

Your favor dated July 7th, addressed to Mr. A. D. Whiteside, has been referred for attention to the undersigned.

I regret to advise that I am informed by the Vanadium Corporation of America and also the U. S. Vanadium Corporation that they have no vanadic acid for disposal since they are themselves using all of the acid they produce either in their production of ferro-vanadium or to supply their own customers using vanadium for defense and essential purposes.

Very truly yours,

/s/ H. K. MASTERS,
H. K. MASTERS,
Chief Vanadium Section.

PLAINTIFFS' EXHIBIT No. 144

Defense Plant Corporation
RFC Subsidiary
Washington, D. C.

Dec. 13, 1941

Gentlemen:

We understand that you are erecting a new plant near Monticello, Utah for the production of Vanadium Pentoxide.

To the best of our knowledge, outside of the U. S. Vanadium Corporation of America, (and Vanadium Corp.)*, we are the only producer of Ferro Vanadium in this country.

Our plant for the production of ferro alloys was built in 1930, and since then, we have been producing an excellent quality of Ferro Vanadium, which is being well received.

However, we cannot make use of all of our production facilities due to the lack of raw material which is fused vanadium pentoxide, and therefore, we would appreciate greatly if you would make it possible for us to secure from the new plant a reasonable tonnage of the Vanadium Pentoxide for conversion into Ferro Vanadium.

We shall welcome advice from you as to whether this would be possible.

Very truly yours,

APEX SMELTING CO.

L. Lipka.

LL:FS

CC: Continental Ore Corp.

Floyd B. Odium.

*Pencil note.

Plaintiffs' Exhibit No. 144—(Continued)

Continental Ore Corporation

Date: 12/8/41.

To: Apex Smelting Company.

You probably read, about 4 weeks ago, that the:
Defense Plant Corp.

RFC Subsidiary

has made an agreement with the Vanadium Corp.
of America for the construction of a new vanadic
acid plant at Monticello, Utah.

In order to avoid any misunderstandings, this
plant is the property of the Defense Plant Corp.,
and will only be managed by the Vanadium Corp.

Therefore, it is probable that you can secure cer-
tain quantities of vanadic acid from this plant, and
we recommend that you send a letter to Washing-
ton as per the copy herewith enclosed.

A copy of your letter should also be sent to the
office of:

Mr. Floyd B. Odum, Director
Division of Contract Distribution
OPM
Washington, D. C.

CONTINENTAL ORE CORPORATION,
/s/ HENRY J. LEIR.

Henry J. Leir/rk

[Pencil Note: Wrote to Defense Plant Corp. also
Odum. Copies to Cont'l.]

2268 *Continental Ore Company, et al., vs.*

Plaintiffs' Exhibit No. 144—(Continued)

Continental Ore Corporation

Date: 12/9/41.

To: Apex Smelting Company.

Subject: Defense Plant Corporation.

We refer to your letter of yesterday, and want to remind you of the letter which the Division of Contract Distribution sent to us on September 19th.

For your convenience, we are enclosing another copy.

It might be a good idea for you to refer to this letter, when sending them the copy of yours to the Defense Plant Corp.

There is no question but that you are entitled to some of this vanadic acid for conversion.

You will agree with us that it would be very desirable to receive material from the Defense Plant Corp., because it certainly would arrive in full carloads, and everything would be very simple.

In any case, we hope that your new ferro department will be able to handle easily 50-100,000 pounds per month.

CONTINENTAL ORE CORPORATION,

/s/ HENRY J. LEIR.

Henry J. Leir/rk

Plaintiffs' Exhibit No. 144—(Continued)

(Copy)

Office of Production Management
Social Security Building, Washington, D. C.

Mr. Henry J. Leir
Continental Ore Corp.
500 Fifth Avenue
New York, N. Y.

September 19, 1941

Dear Mr. Leir:

Thank you for your letter to Mr. Odum of September 15, giving your views on the Vanadium industry, and requesting that same be made known to the Reconstruction Finance Corporation and to Mr. Harris K. Masters of the OPM. This has been done.

Very truly yours,

WEBB WARE TRIMBLE,
Assistant Financial Consultant,
Division of Contract Distribution.

Chicago
Continental Ore Corp.

Dec. 13, 1941

Attention: Mr. H. J. Leir

Gentlemen:

We have your letter of December 9th, and we wish to advise that we have written to both the Defense Plant Corporation and Mr. Odum, in accordance with your suggestion.

2270 *Continental Ore Company, et al., vs.*

Plaintiffs' Exhibit No. 144—(Continued)

3 Copies of these letters are enclosed.

Very truly yours,

LL:FS

Enc. 2

Dec. 13, 1941

Mr. Floyd B. Odlum, Director
Division of Contract Distribution
OPM
Washington, D. C.

Dear Sir:

We are enclosing a copy of letter sent to the
Defense Plant Corporation today.

Your efforts in our behalf will be very much
appreciated.

Very truly yours,

APEX SMELTING CO.,
L. Lipka.

LL:FS

Enc.

PLAINTIFFS' EXHIBIT No. 146

[Pencil Note]

Date: 1/3/42.

Name: Vanadium Dept. OPM.

City: Wash. D. C.

Interviewed: Mr. Jenckes.

Our Call—Vanadium on strictly allocation basis
both as to purchase and sales. At present other

Plaintiffs' Exhibit No. 146—(Continued)

producers have received permission to shy up to 50% of orders. We are to write a letter stating inventory and unfilled orders for January. He will mail us order & regulations. Turned him over to Mr. Lipka for further telephone conversation.

[Pencil Notes: Jenckes. Up to 50% of orders. Letters stating orders on book for Jan. del. Inventory as of today.]

Mr. H. K. Masters,
Vanadium Div.,
Office of Production Management,
New Social Security Building,
Washington, D. C.

Dear Mr. Masters:

We are writing this letter at the suggestion of Mr. John W. Snyder, Executive Vice-President, of the Defense Plant Corporation, requesting permission to continue the purchasing of Vanadic Pentoxide for our Ferro Vanadium Department.

This material is used by us in the production of Ferro Vanadium and Vanadium compound, which we sell to steel mills throughout the country.

Our production of Ferro Vanadium is in a special low carbon form with the following general characteristics:

V	70 to 80%
C	0.2%

Our capacity for the production of this material

2272 *Continental Ore Company, et al., vs.*

Plaintiffs' Exhibit No. 146—(Continued)

is about 50,000 to 60,000# of V contained per month, but at the present time we are producing only a fraction of this capacity due to lack of raw material.

Our present sources of supply are—

Blanding Mines Co., P. O. Box 895, Cortez, Colo.

Nisley & Wilson Vanadium Mills, Gateway, Colo.

S. W. Shattuck Chemical Co., 231 S. LaSalle St., Chicago, Ill. (North Continental Mining Co. of Montrose, Colo.)

We would appreciate receiving permission from you to continue the purchasing of Vanadic Pentoxide from these sources, and wish to place our facilities at the disposal of your Department for the conversion of any additional quantities of Vanadic Pentoxide that you might see fit to allocate to us.

We, of course, will ship Vanadium to the steel mills only upon authorization from your Department.

Very truly yours,

APEX SMELTING CO.

WRB/r

Pencil Note: For Vanadium Allocation. H. K. Masters, OPM, SS Bldg., Wash. At suggestion of Mr. John W. Snyder, Exec. V.P., Defense Plant Corp.

Plaintiffs' Exhibit No. 146—(Continued)

Continental Ore Corporation

Date: 12/24/41.

To: Apex Smelting Company.

Subject: General Preference Order M-23-a—Vanadium.

Now that we have come to the point where our business might be running smoothly, the new regulations come into effect. We must, of course, adhere to them.

Enclosed please find copies of the letters we sent out today to:

Atlas Steels

Dominion Foundries

Latrobe Electric Steel

Braeburn

With regard to your own position (receiving raw material, which is also under allocation now) we recommend that you write a letter to Washington similar to the enclosed draft . . . addressed to:

Vanadium Branch

Office of Production Management

Social Security Building

Washington, D. C.

as designated at the end of the General Preference Order.

CONTINENTAL ORE CORPORATION

/s/ HENRY J. LEIR.

Henry J. Leir/rk

Plaintiffs' Exhibit No. 146—(Continued)

Vanadium Branch
Office of Production Management
Social Security Building
Washington, D. C.

Gentlemen:

Re: General Preference Order M-23-a—Vanadium.

We have read the above preference order. As you know, we are producing Ferro-Vanadium, and have bought our Vanadic Acid (Vanadium Pentoxide) in the past from the following:

1. Blanding Mines Co., P. O. Box 895, Cortez, Colorado.
2. Nisley & Wilson Vanadium Mills, Gateway, Colorado.
3. S. W. Shattuck Chemical Co., 251 S. La Salle St., Chicago (North Continental Mining Co. of Montrose, Colo.).

We think it would simplify matters if you were to authorize us to continue receiving Vanadium Pentoxide from those sources.

It is understood of course that we will make no shipments of either Vanadium Oxide or Ferro Vanadium from here, unless specifically authorized by you, according to the text of the Order.

We cannot close this letter without calling your attention to the following: We started production of Ferro Vanadium in 1939, and our specialty is a low-carbon Ferro Vanadium with the following characteristics:

Plaintiffs' Exhibit No. 146—(Continued)

V 70-80%

C max. 0.2%

This Ferro Vanadium has received an excellent reception from leading steel mills.

Our capacity is about 50-60,000 pounds V per month, but we are producing only a fraction of it, because of lack of raw material.

We should very much appreciate your taking steps to allocate to us some more Vanadium Oxide for the purpose of converting it into this high grade Ferro Vanadium.

As far as we can see, the production of Ferro Vanadium has been mainly localized to two very big outfits in the country, and we think we are not asking too much if we apply to you for a better distribution of the available Vanadium Oxide, all the more as the Government is spending a lot of money for new production facilities and road construction out West.

We hope to hear from you favorably and assure you of our desire to cooperate with you to the fullest extent.

Very truly yours,

P.S. With new alloy steel plants being erected in Chicago, for instance, and Granite City, we think it is only logical for our little smelting plant in Chicago to be favored, which will help to eliminate unnecessary traffic back and forth.

PLAINTIFFS' EXHIBIT No. 149

[Penciled date: July 6, 1939.]

The Secretary submitted Appropriation Request No. SMP-3, dated July 6, 1939, in the amount of \$7,000 to cover the estimated cost of Air Separator Table Installation at the Piney River plant of the Southern Mineral Products Corporation. After discussion, on motion regularly moved, seconded and carried, it was unanimously

Resolved, that Request for Appropriation No. SMP-3, in the amount of \$7,000 covering the estimated cost of Air Separator Table Installation at the Piney River, Va. plant of the Southern Mineral Products Corporation, be and is hereby approved, as recommended by the President.

The President advised that certain claims of the Vanadium Corporation of America located in Colorado were adjacent to claims of the United States Vanadium Corporation and that in view of the present mining operations of the United States Vanadium Corporation, said corporation is willing to mine and mill the ore on one particular claim, namely, the "Maggie C", or any other claim or claims that might later be agreed upon, delivering the product therefrom (oxide containing a minimum V_2O_5 content of 85%) to our Bridgeville, Pa. plant at a delivered price to be accepted if satisfactory to the Vanadium Corporation of America. He requested authority to enter into an agreement

Plaintiffs' Exhibit No. 149—(Continued)

that would provide for the delivery of such ore at an agreed upon price. After a general discussion, on motion regularly moved, seconded and unanimously carried, the President was authorized to entered into an agreement, as outlined above, with the United States Vanadium Corporation.

After a general discussion of the affairs of the Corporation and business conditions, on motion regularly moved, seconded and carried, the meeting thereupon adjourned.

/s/ P. J. GIBBONS,
Secretary.

(Copy)

Memorandum

U.S.V.C. agrees to mine the ore from the Maggie C Claim situated in Lower Park, near Uravan, Colorado, owned by V.C. and such other claims now owned by V.C. in the vicinity of Uravan, Colorado, as the parties from time to time agree upon, to mill such ore and produce therefrom fused V_2O_5 analyzing 85% V_2O_5 minimum (hereinafter called oxide) and to deliver thirty thousand (30,000) pounds per month of oxide so produced to V.C., f.o.b. its Bridgeville, Pa. Plant. Additional quantities of oxide may be delivered in any month by agreement of the parties as advance deliveries of oxide from ore to be mined and milled hereunder. During the period covered by this agreement U.S.

Plaintiffs' Exhibit No. 149—(Continued)

V.C. shall have the sole right to mine and mill the ore from the aforesaid claim or claims.

The ore shall be mined and milled by the standard methods then being used by U.S.V.C. on its own production. U.S.V.C. shall not be required to mine and mill the ore separately from its own production but may mix the ore with its own ore. Accurate records shall be kept by U.S.V.C. of all of the weights and analysis of all ore mined and milled in accordance with methods to be mutually agreed upon and U.S.V.C. shall deliver to V.C. seventy-five per cent (75%) of the V_2O_5 content of the ore of V.C. mined by it.

In addition to records of weights and analysis, U.S.V.C. will make available upon request of V.C. the diamond drill records and other development data that may accrue during the course of ordinary development and mining of the aforesaid claim or claims.

If V.C. does not require the oxide produced from the ore in the aforesaid claim or claims V.C. may require all shipments of oxide hereunder to be suspended upon three (3) months' written notice to U.S.V.C. and may cause shipments to be resumed upon thirty (30) days' written notice to U.S.V.C. During the time that shipments are suspended U.S. V.C. shall have the right, but shall not be obligated, to continue mining ore and producing fused V_2O_5 therefrom, retaining such ore for future milling

Plaintiffs' Exhibit No. 149—(Continued)

and any oxide derived therefrom for future shipments to V.C. The suspension of shipments in any month shall not give V.C. the right to require shipments to be increased in any subsequent month over thirty thousand (30,000 pounds) except with the consent of U.S.V.C.

V.C. will pay to U.S.V.C. for mining and milling ore hereunder on the following basis: Sixty-five (65c) cents per pound of V_2O_5 contained as delivered f.o.b. at Bridgeville Plant of V.C.

If the cost to U.S.V.C. of labor, fuel or supplies used in mining ore or producing oxide hereunder should be increased U.S.V.C. may increase the price to be paid by V.C. hereunder by the amount of such increased cost, by giving three (3) months' prior written notice to V.C. If such increased price is not acceptable to V.C. it may terminate this agreement at the time such increased price is to become effective by giving not less than sixty (60) days' prior written notice of such termination to U.S.V.C.

If at any time U.S.V.C. has not mined sufficient ore belonging to V.C. to produce the oxide required to be delivered to V.C. hereunder, it may deliver such oxide produced from other ore at 65c per pound V_2O_5 as aforesaid, and in such event U.S. V.C. may take title to a quantity of ore subsequently mined by it from the aforesaid claim or claims of V.C. sufficient to produce a quantity of

Plaintiffs' Exhibit No. 149—(Continued)

oxide equivalent to the quantity produced from such other ore.

This agreement shall continue for a period of five (5) years from the date hereof unless sooner terminated as herein provided. After termination of this agreement U.S.V.C. shall have the right to produce and deliver oxides to V.C. from any ore mined by U.S.V.C. from the aforesaid claim or claims of V.C. prior to termination. Such deliveries, however, to be taken by V.C. in as nearly equal monthly amounts as possible. If at the time of termination U.S.V.C. has delivered to V.C. any oxide produced from ore other than the ore mined by it from the aforesaid claim or claims of V.C. and has not taken title to an equivalent amount of ore mined by it from the aforesaid claim or claims of V.C., U.S.V.C., after termination of this agreement, may mine for itself, and take title to, a quantity of ore from the aforesaid claim or claims of V.C. sufficient to produce a quantity of oxide equivalent to such quantity produced from such other ore and delivered to V.C. V.C. may, at its option, upon giving prior written notice to U.S.V.C., mine such ore itself and deliver such ore to U.S.V.C.

Dated: 6/30/39.

/s/ E. D. BRANSOME,

Pres., Vanadium Corp. of America.

/s/ J. R. VAN FLEET,

V. P., U. S. Vanadium Corp.

Plaintiffs' Exhibit No. 149—(Continued)

[Letterhead United States Vanadium Corporation]

[Handwritten: R. B. note and return. R. B.,
10/8/41.]

September 26, 1941

Vanadium Corporation of America,
No. 420 Lexington Avenue,
New York, New York.

Gentlemen:

In connection with and as part of the delivery of the contract being made between us this date, with respect to the so-called Dry Valley mining claims; we agree that such Agreement settles all claims of ours against you for oxide, and that we will remove all the ore referred to in Paragraph 2 of said Agreement not later than June 1, 1942, subject to delays caused by Acts of God, strikes, labor troubles, accidents, Governmental regulations, or other causes of a similar or different nature beyond our reasonable control, or forfeit all right on that date to remove any more of such ore.

The record of the Custom Milling Account as of September 1, 1941, shows a deficiency of ore from which to recover 294,447 pounds of V_2O_5 . We have extracted ore from the Dry Valley property up to September 1, 1941, amounting to 4,177.82 tons containing approximately 120,823 pounds recoverable V_2O_5 . The deficit in V_2O_5 , therefore, would be 173,624 pounds as of September 1, 1941.

The adjustment of the cost of permanent im-

Plaintiffs' Exhibit No. 149—(Continued)

provements left on the Dry Valley property had best remain open until the ore to make up the deficiency in V.O. has been extracted. Up to the present time the cost of permanent improvements such as ore bins, roads, etc., has amounted to less than \$1,000 and it is not certain just which of these improvements will be of value after the allotted ore has been extracted.

We have discontinued working the Republican, Donald L. and Maggie C. claims, and are turning them back to you for occupancy. We have no further mining rights on those claims.

The total amount of money to be returned to us upon delivery of the Dry Valley agreement is—\$41,785.39 made up as follows:

Advance to Leverett Davis,	
March 31, 1941.....	\$25,000.00
Molybdenum Corporation of	
America, July 1, 1941...	15,000.00
Molybdenum Corporation of	
America, royalties,	
September 17, 1941.....	1,785.39
<hr/>	
Total.....	\$41,785.39

The royalty payment to Molybdenum Corporation of America is, of course, an advance on the next

Plaintiffs' Exhibit No. 149—(Continued)

payment due under their Agreement dated June 26, 1939.

Very truly yours,

/s/ J. R. VAN FLEET,
Vice President.

EM/J. R. Van Fleet

USVC

[Handwritten: O.K., E. D. Burwell.]

Vanadium Corporation of America, New York, N.Y.

(Copy)

Mr. John R. Van Fleet September 1, 1939
Vice-President & General Manager
United States Vanadium Corporation
30 East 42nd Street
New York, N. Y.

Dear Mr. Van Fleet:

In reference to the working of the Maggie C claim at Long Park, and before any ore is extracted from that claim underground, we would like to survey the workings from the Coloradium incline which are on the Maggie C, and that part of the workings on claims contiguous to the Maggie C and Donald L claims which are closest to those claims. Mr. Sterling, Sr. will be at Long Park some time this month, and we would appreciate it if you will arrange for permission for him to make this survey. Of course, so as not to inconvenience you, we

Plaintiffs' Exhibit No. 149—(Continued)

would expect to do this work either at night or on a weekend when no mining operations were being carried on.

We have instructed Robert Sterling, Jr., who is looking after our diamond drilling at Long Park, to send us monthly reports covering current operations on the Maggie C, including your figures as to tonnage and grade of ore mined from that claim. We assume that this information is available to him at Uravan.

Yours very truly,

FREDERICK F. KETT,
General Manager, Mining Division.

FFK:S

[Letterhead United States Vanadium Corporation]

Mr. Frederick F. Kett September 6, 1939
General Manager, Mining Division
Vanadium Corporation of America
420 Lexington Avenue
New York, N. Y.

Dear Kett:

I wish to acknowledge your letter of September 1 in reference to making an inspection of the Maggie C through the Coloradium and Donald L workings.

There can be no possible objection to this, and

Plaintiffs' Exhibit No. 149—(Continued)

I have written to Mr. Haldane to assist Mr. Sterling in every way possible on such an inspection.

Very truly yours,

/s/ J. R. VAN FLEET,

Vice President & General Manager.

J. R. Van Fleet/mm

USV

September 22, 1939

Mr. J. R. Van Fleet, Vice President,
United States Vanadium Corporation,
30 East 42nd Street,
New York, N. Y.

Dear Mr. Van Fleet:

This is to advise you that I have notified our people to authorize United States Vanadium Corporation to enter on our claims of the Donald L and Republican located in Long Park, of which we have spoken in a recent meeting.

I understand that there has been some dispute as to location of claims in respect to the Republican claim. In accordance with our telephone conversation of today, it is agreed that the above authorization will not prejudice our position in respect to the Republican claim in any manner.

Very truly yours,

EDB/C

Copy to Messrs. F. F. Kett, Robert Sterling, P. J. Gibbons.

2286 *Continental Ore Company, et al., vs.*

Plaintiffs' Exhibit No. 149—(Continued)

United States Vanadium Corporation
Uravan, Colorado

Mr. Robert Sterling, Jr. October 5, 1939
Uravan, Colorado

Dear Sir:

We are enclosing herewith report covering the
Maggie C and V.C.A. Stockpile operation for the
month of September, 1939.

Yours very truly,

UNITED STATES VANADIUM
CORPORATION,

/s/ W. G. HALDANE,
Superintendent.

W. G. Haldane/ms
Enc.

(Copy)

United States Vanadium Corporation
Uravan, Colorado

Mr. Robert Sterling, Jr. December 8, 1939
Uravan, Colorado

Dear Sir:

Please find enclosed our report on Maggie C op-
eration for month of November, 1939.

Yours very truly,

UNITED STATES VANADIUM
CORPORATION,

/s/ W. G. HALDANE,
Superintendent.

W. G. Haldane/ms
Enc. 1